### NATO Vows To Maintain **UN Support** In Bosnia

U.S. House Votes, 318-99, To End Arms Embargo On Besieged Muslims

By William Drozdiak

BRUSSELS - NATO defense ministers vowed Thursday to sustain the use of alliance air power to support United Nacons peacekeepers in Bosnia while also stepping up preparations to rescue the en-tire 22,000-man UN force if the situation on the ground does not improve in the next

Defense Secretary William J. Perry hailed the creation of a rapid-reaction force as "a turning point" that could enhance security for the beleaguered UN peacekeepers and salvage a humanitarian aid mission that has been paralyzed by hostage-taking and other attacks by rebel Bosman Serbs.

[The House of Representatives voted Thursday to require President Bill Clinton to lift an arms embargo on Bosnian Muslims as it approved a bill that would cut foreign aid sharply and dismantle three foreign-policy agencies, Reuters reported from Washington. Page 6.

[The House attached the provision to end the arms embargo by a 318-to-99 vote and then approved the overall bill by 222 to 192. The bill will have no effect, however, unless it is also approved by the Senate and survives the veto promised by Mr.

France. Britain and the Netherlands have pledged to send as many as 10,000 troops for the new force, which would be highly mobile and used to keep aid supply lines open. The United States has declined to contribute any troops but has offered logistical and intelligence help.

Mr. Perry and other ministers said the North Atlantic Treaty Organization was committed to doing everything possible to maintain the UN peacekeeping force in Posnia because their departure could trigger a nightmarish human catastrophe and ind the frontiers of the former Yugosla-

But a senior British official said that the latest wave of hostage-taking and other attacks from Bosnian Serbs directed against UN peacekeepers had underscored the need for "strategic consent" from all belligerents. He said that unless the attacks stopped and the new reaction force succeeded in its protecting mission, a decision to pull out the peacekeepers could be made by late August so that it could be completed before winter sets in.

"If this last chance fails, then only the safety net of withdrawal remains," said the German defense minister, Volker Rühe. "But it would be a human catastrophe and politically highly undesirable."

In making the case for the peacekeepers. Mr. Perry noted that the civilian death telihad dropped from more than 100,000 in 1992, when the UN mission was dispatched, to less than 3,000 last year. But defense analysts said the sharp reduction in casualties was largely due to the decline in fighting since the rebel Serbian soldiers had captured and held 70 percent of the

While emphasizing their desire to keep the UN peacekeeping mission alive, the NATO ministers spent much of the day reviewing pullout plans that could involve up to 50,000 NATO troops, half of them Americans, NATO officials said 14 counthes have now pledged troops to the rescue

See POLICY, Page 6

### Dramatic Rescue Saves 'a Tough Hombre' Who Survived on Bugs and Rainwater

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST



Colonel Berndt, right, and other members of the rescue mission talking to reporters Thursday aboard the Kearsarge.

### Pilot's Survival Kit: 'Guts and Training'

ROME - The American pilot who was rescued Thursday after hiding out in Bosnian Serbian territory for nearly a week stayed alive on bugs and rainwater and stayed free on his wits and survival train-

ing, military officers said.

"This is a tough hombre we're talking about," said NATO's southern Europe commander, Admiral Leighton Smith.

"Whatever else he had, he had a lot of guts to go with it. That's what he had — guts After his rations ran out, the pilot "told

us he began on bugs and rainwater," a U.S. Marine Corps doctor, Lieutenant Com-mander Paul Rochereto, said on the am-phibious assault ship Kearsarge. He speculated that the bugs were ants

Dr. Rochereto spoke after examining the pilot, Captain Scott F. O'Grady, who was taken to the ship after his rescue by a snatch-force of Marines at dawn on Thurs-

"He's really happy to be alive," the docbeing treated for exposure and exhaustion. Master Sergeant Nate Goolsby, superintendent of the Life Support division at the U.S. Air Base at Ramstein, Germany, said Captain O'Grady, like all pilots, had taken a two-week survival course before his as-

They learn basic survival techniques like how to conceal themselves, how to find food, how to navigate land by both day and night," Sergeant Goolsby said.

signment and had received refresher

They learn how to catch small animals and prepare them for food, how to identify edible plants and how to find water and shelter," he said.

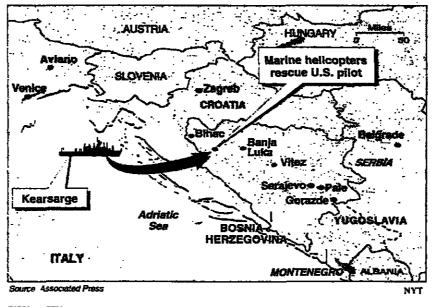
Also instrumental for survival was the kit of supplies that every pilot carries with him on a mission. Sergeant Goolsby said. It can include a handgun, a small amount of food, including chocolate and sugar for energy, a compass and, in some cases, a Serbo-Croatian phrasebook.

The kit also contains a small, batterypowered radio, which Captain O'Grady used to make contact with a plane from his own squadron on patrol of the United Nations "no-flight" zone over Bosnia. It was this contact that allowed the Ma-

See HOMBRE, Page 6



Captain O'Grady, 29, photographed in an F-16 similar to the plane he was flying June 2 when he was shot down over Bosnian Serbian territory.



### Amid Serb Fire, U.S. Marines Pluck Pilot From Bosnia

Compiled by Our Staff From Dispatches
ABOARD THE KEARSARGE — Fotty U.S. Marines swooped into Serbian-held Bosnia with two helicopters Thursday and dodged hostile fire to rescue a downed American pilot who had survived for six days on rainwater, bugs and courage.

The pilot, Captain Scott F. O'Grady, sprinted to a helicopter from his forest hideout waving his pistol, and shouting. "Pm ready to get the hell out of here." Two shots hit one rescue belicopter, while at least one missile was fired at the rescuers

The captain had been missing since his F-16 was shot down June 2 by a missile from a Bosnian Serbian stronghold southeast of Bihac during a routine patrol of the United Nations "no flight" zone over Bos-

The downing came in the aftermath of the abductions of hundreds of UN peacethe abductions of hundreds of UN peace-keepers by Bosnian Serbs retaliating for NATO air attacks last month on their ammunition depots outside Pale, their headquarters 14 kilometers (9 miles) east of Sarajevo. So far, 232 UN personnel have been released, and 146 remain captive, frustrating negotiators trying to halt the hostilities in the three-year war.

Admiral William Owens of the Joint Chiefs of Staff in Washington said a multinational force took part in the rescue, including two U.S. Marine CH-53 helicopters that landed on a hilltop 50 meters from where Captain O'Grady had signaled the metalist of the lander of th his position on a battery-powered radio.

Until then, the fate of the 29-year-old pilot had been unknown because an accompanying pilot did not see Captain O'Grady parachute. Some Bosnian Serbian officials in Pale had even claimed that they had captured the pilot.

Admiral Leighton Smith, commander of NATO forces in southern Europe, said the rescue mission began after a pilot from Captain O'Grady's squadron, flying an F-

voice on the radio.

The 2 A.M. signal was the first time that NATO had radio contact with the pilot,

Admiral Smith said. Fifteen minutes earlier, NATO had received a Morse code message from Cap-tain O'Grady "that told us exactly who it was," a NATO source said, speaking on

condition of anonymity. Nearly five-and-a-half hours later, from first contact to the rescue, the pilot was safe on board the amphibious assault ship Kearsarge in the Adriatic Sea.

Kearsarge in the Adriant Sea.

"This is a tough hombre we're talking about," said Admiral Smith, speaking in London. "Whatever else he had, he had a lot of guts to go with it. That's what he had — guts and training."

Colonel Gary Coward, a spokesman for the United Nations in Sarajevo, described the territory Captain O'Grady was found in as "woodland bills" without a heavy

in as "woodland hills" without a heavy concentration of Bosnian Serbian forces.

"The Bosnian Serbs are stretched with the 1,000-mile confrontation line," he said. "One would imagine there are not a whole host of units around. There may have been some reserves but that's largely speculation on my part."

Nonetheless, Colonel Coward said he was surprised that Captain O'Grady made

"The pilot did very, very well to evade capture," he said.

The rescue was mounted just after first light by an elite Marine Corps rescue team from the Kearsarge, the flagship of a three-vessel force of 2,000 Marines in the Adriat-

They were backed up by more than 40 NATO aircraft, including radar-jamming

A Marine Corps doctor aboard the Kearsarge said Captain O'Grady, al-though shot down from 20,000 feet, had See RESCUE, Page 6

### **EU Leader Fears War Saps Trust in Political Cohesion**

By Tom Buerkle tional Herald Tribun

BRUSSELS - In a sobering assessment of Europe's role in the former Yugoslavia, the president of the European Commission said Thursday that the bloc's failure to end the war was sapping public confidence in Europe's political effectiveness.

Asked if the experience in Bosnia has been a disaster for Europe's ambitions to become a political power on the world stage, the EU official, Jacques Santer, said, "Psychologically . . . certainly."

The Bosnia effect makes it all the more essential, however, that European Union leaders show a commitment to forge a serious foreign policy capability when they meet to overhaul EU institutions next year, he said.

"Europe needs to draw the political lessons," Mr. Santer said. "We need to define a common foreign and security policy."

The task will require an EU analytical center, a sort of fledgling State Department, to carry out preventive diplomacy, he said. In addition, he endorsed ending member countries' powers to veto EU

measures and switching to majority voting, a measure that Germany is pressing but which Britain has already vowed to resist, In an hourlong interview, Mr. Santer said he would present proposals to stimulate employment at a summit meeting of European Union leaders in Cannes on June 26 and 27, but cautioned against

expecting any "miracle solution."

He said governments must fight the causes of Europe's persistently high unemployment, including what he sees as excessive labor regulations, rather than "repeating the mistakes of the 1980s" and relying solely on economic growth.

Mr. Santer expressed confidence that

the spending plans announced recently by the French prime minister, Alain Juppe, would not prevent France from reducing its budget deficit enough to adopt a com-

mon European currency in 1999. Still, he said all EU leaders must give a clear signal at Cannes of their determination to meet the low-deficit, low-inflation criteria for a single currency. Mr. Santer also dismissed the prospect

of a trans-Atlantic free-trade zone as "un-See SANTER, Page 6

#### AGENDA

#### U.S. Foils Sale of Nuclear-Use Metal

NEW YORK (AP) - Three men were arrested Thursday for trying to sell eight tons of zircontum, a metal used in nuclear processing, to federal agents posing as fragis. It was the largest seizure ever of nu-

States, said Robert Van Etten, a spokesman for U.S. Customs. Federal agents uncovered the black market operation by posing as representatives of the Iraqi government and offering to buy the zirconium, which had been stolen from the Ukrainian mili-

clear-related material in the United

tary, Mr. Van Eiten said. Sports Pages 22, 23, Page 10. Crosmond Page 23. latem (nonal Classifed Page 4 SPONSORED SECTION Latvie Pages 19-21

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Megaprojects for a New Asia

THE AMERICAS War Powers Act Retained

Few Invitations for Taiwanese

Limits to Democracy in East

INTERNATIONAL Page 6.

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### China vs. Japan vs. U.S. – Asian Stability Suffers Officials and analysts say that the dispute between China and the United States over Mr. Lee's visit, the

Agence France-Pres

By Michael Richardson

KUALA LUMPUR — With China threatening fur-ther retaliation against the United States over the "pri-vate" visit of Taiwan's president, Lee Teng-hui, Asian and Pacific nations say they see the issue as another sign of serious erosion in the links between Washington, Beijing and Tokyo that underpin stability in the region. Weak and divided leadership in the United States. China and Japan, combined with growing nationalism in all three countries, threaten to upset the established power balance in the Asia-Pacific region before a new security order can take its place. Asian officials say. Such a development would undermine prospects for continued rapid economic growth in the area.

bitter U.S.-Japanese trade feud over cars and auto parts, and mutual suspicion between China and Japan over each other's growing military strength are causing severe The tensions are fanning "nationalistic sentiments" in

Japan, China and America, said Han Sung Joo, a former foreign minister of South Korea who is president of the International Relations Institute at Korea University in

Speaking at a conference on regional security here, he said there was a "high probability" that a protracted dispute between the United States and Japan would "hamper" their cooperation in regional security.

In an interview, Douglas H. Paal, president of the Asia Pacific Policy Center in Washington, said that leaders in the three countries, especially the United States, were increasingly preoccupied with domestic concerns and that this encouraged confrontation abroad.

"China saw that the Clinton administration was pushed by congressional pressure into granting the Tai-wanese president a visa to the U.S.," be said. "So China has concluded that it is pressure that moves the U.S. government, not strategic interests or goals."

Mr. Han said that the weakening of ties between the three countries was occurring when "Asia is lagging far behind Europe in community-building and is subjected to big power politics to a degree that is far greater than in

See REGION, Page 6

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### U.S. Envoy to Beijing Won't Wait for a Replacement

By Patrick E. Tyler New York Times Service

BEIJING - Deeply frustrated over the state of U.S.-China relations, the American ambassador, J. Stapleton Roy, is leaving his post next week before his replacement has been named by the Clinton administration.

Although Mr. Roy has told close associates that the timing of his departure has nothing to do with the diplomatic crisis over the visit to the United States by President Lee Teng-hui of Taiwan, Mr. Roy's return to Washington on June 17 will only add to the image of downgrading relations.

A former Democratic senator from Tennessee, Jim Sasser, is expected to be nominated to replace Mr. Roy,

but Mr. Sasser could face a lengthy confirmation process in the Republican-controlled Senate. It is not unusual for a gap of several months between ambassadors, but Mr. Roy had earlier told Westerners here that because of China's strategic importance, the Clinton administration would not allow him to depart until his replacement

Since May 22, when the Clinton administration annonneed that it was reversing 16 years of policy to allow a private visit by the Taiwanese leader, Mr. Roy has become a diplomatic pariah in official Beijing. "He says no one will see him anyway, so why do we

need an ambassador here?" one visitor to Mr. Roy's office paraphrased the ambassador's levity about his

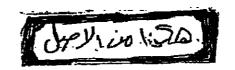
One exception was a banquet the Chinese were hosts at

last week for a visiting American congressman, Representative Dennis Hastert, Republican of Illinois.

During the banquer, the Chinese government hosts received a double surprise, first, when the congressman suggested that congressional pressure had nothing to do with Mr. Clinton's decision to grant Mr. Lee a visa to enter the United States and, second, when Mr. Roy bluntly took exception to the congressman's remarks, reiterating that Mr. Clinton acted only after Congress demonstrated its political resolve in the matter with overwhelming votes in both houses.

Mr. Roy grew up in China as the son of missionaries, and like many China specialists he publicly supported, but personally opposed, the White House decision to issue a visa to the Taiwanese leader, largely because of its

See ENVOY, Page 6



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#### PAGE TWO

Building the New Asia/Infrastructure Megaprojects

### Foreigners Vie for Deals **Process Fraught With Back-Room Intrigue**

By Paul Blustein Washington Post Service

AKARTA - Robert Edgell grimaces as he recalls how much time he has spent in this traffic-choked city - nearly 500 days over the past three years. I've accumulated a lot of Grand Hyatt

points," said Mr. Edgell, the 48-year-old executive vice president of Mission Energy Co.. referring to his usual hotel. Mr. Edgell has taken up semipermanent

residence here because his California-based company, an affiliate of Southern California Edison Co., builds electric power plants. And the world's biggest power plants are being constructed in fast-growing countries such as

Indeed, the project that Mr. Edgell has been slaving over, a \$2.6 billion, 1,230-megawatt plant being built in the eastern Java village of Paiton, dwarfs anything being built, or even contemplated, in the United States.

The fruit of Mr. Edgell's labor illustrates the great Asian infrastructure binge of the late 20th century.

Megaprojects are springing up all over Asia, transforming this booming region. Rice paddies and hillsides are being paved over for superhighways and high-speed railroads. Inner-city pavements are being dug up for subways and telephone lines. Wessenson and ways and telephone lines. Waterways and coastlines are being dredged for container ports and sewage-treatment facilities.

Asian countries need to invest about \$1 trillion on such projects during the remainder of this decade, according to the Asian Devel-opment Bank —and that figure does not even include Japan, which is spending even more on infrastructure improvements.

The spending is spurred by a desperate need to ease the bottlenecks that threaten to choke off Asia's rapid economic progress. The dazzling industrialization of the past two decades has generated horrendous traffic congestion, power shortages, overloaded tele-phone circuits, clogged ports and overburdened rail and air networks.

So governments in the region are scram-bling to plan, finance and install modern transportation, power generation and communication systems capable of sustaining even more blistering growth in the future.

AITON illustrates the huge stakes involved in this undertaking, not only for the countries of Asia but for the legions of foreign companies vying to win lucrative concessions and contracts. Especially for U.S. companies such as Mission Energy, whose domestic market has reached maturity, the surge in demand from Asia presents a whole new horizon of opportuni-

"The U.S. doesn't have the tremendous generation. need for new electric power generation. whereas there is a tremendous need in the growing economies of Indonesia, China and most of the countries of Southeast Asia, as well as Eastern Europe and Latin America." said James Iaco, the company's chief finan-

All this helps explain why the Clinton administration is putting a heavy emphasis on gion. Infrastructure projects like these translate into jobs: Paiton is conservatively expected to create work for about 5,000 Americans, because the plant will use two steam turbines and two electric generators built by General Electric Co., and two coal-fired boilers built by Combustion Engineering Inc. of Stamford, Connecticut,

Yet projects such as Paiton also are loaded with pitfalls, raising the prospect that Asia's infrastructure boom will yield a harvest of white elephants and financial black holes.

Striking big deals in countries like Indonesia is a process fraught with back-room intrigue. Paiton has proven no exception, with prominent roles being played by people relat-ed to President Suharto of Indonesia or close to his family.

There are the broader political and financial problems, too. Few Asian countries can afford to pay for all the improvements they need. Instead of relying on their state-owned utilities, they are allowing big projects to be run as private enterprises—often for the first time, and often by foreign companies such as Mission

That means international bankers and financial institutions must be convinced the projects will earn a solid profit, or they will refuse to put up the billions of dollars required for construction. But consumers in many of these countries are accustomed to paying low, subsidized rates for electricity and other services, and they are prone to raise

a fuss if they find their charges going up.

A Japanese-led consortium that built a freeway in Bangkok, for example, was forced by Thai authorities to lower the tolls it charged because of protests from angry drivers — even though the tolls had been agreed

ITH ALL the difficulties to be overcome — and all the rewards to be gained —it is small wonder that Mr. Edgell and other Mission executives have devoted so much time and effort to the Paiton project.

There were times when I got frustrated. because it takes a long time to get decisions made in this government," said Mr. Edgell. "The Indonesians decide things by consen-s," he added. "But once the consensus is

made, there is a resilience against going It was the dawn of the 1990s when Mission. looking overseas for the first time. commis-

sioned a study to find the most promising market for its power plant business. Indonesia came on the screen as a high

target." Mr. Edgell recalled. Indonesia enjoys a reputation for political stability and has the world's fourth-largest population. The nation's demand for power is surging at more than 15 percent a year as factories sprout throughout the archipelago. especially on the heavily populated main island of Java.

The state-owned utility, PLN, has been unable to keep up with demand despite a huge capacity-building program in the late

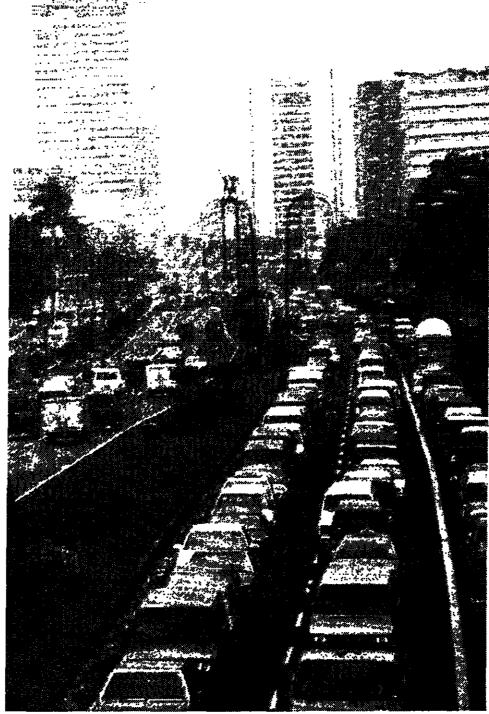
So, for the first time, the government began considering proposals from private-sector groups interested in building a power plant with the aim of supplying electricity to the state utility under a long-term contract. The plant was to be located in Paiton, next to an

existing power generation facility.

Mission teamed with two other internationally recognized giants, GE and the Japanese trading firm Mitsui & Co. But political problems quickly arose stemming from the Jakarta regime's pattern of bestowing lucrative contracts on businesses run by the president's children.

clared its intention to deal with a consortium led by a little-known U.S. firm, Intercontinental Electric Inc., and the Indonesian conglomerate Bimantara, headed by Mr. Suharto's second son.

Independent experts hired by the government advised that the IEI-Bimantara group lacked the financial muscle and experience of the Mission-GE-Mitsui group, but IEI-Bimantara "had very influential people on their side," noted a participant in the negotiations. The mission group had its own influential



A traffic jam in Jakarta — a typical bottleneck that Asian nations are seeking to ease.

member. Hashim Djojohadikusumo, a fastrising Jakarta businessman whose brother is married to one of the president's daughters. A Hashim-owned company joined the Mission group with a 15 percent interest and a contract to supply the Paiton plant with lowsulfur, clean-burning coal from Borneo.

Mr. Hashim personally pitched the advantages of the Mission consortium to the president, and in May 1992 the government decreed that the two groups should share the

A few months later, after the two groups were unable to reach an arrangement, the Mission-led consortium got the green light to start negotiating an electricity supply con-tract ahead of the rival group.

HILE saying that his group won because it had "the superior product," Mr. Edgell acknowledged that Mr. Hashim's connections were "a contributing factor" behind the decision to bring him into the consortium.

Asked whether Mr. Hashim's company got its 15 percent stake in the consortium without investing a commensurate amount of funds, Mr. Edgell replied: "They're investing with us. That's all you're going to get from me."

For 18 months, the Mission group was

locked in negotiations with the Indonesian authorities over the terms under which the Paiton plant would operate.

"It was a very interesting cultural experience," with Indonesians, Americans and Japanese involved, said Raymond Vickers, a Hong Kong-based lawyer with long experience in Indonesia who was called in by Mission when the negotiations appeared to be headed for stalemate.

"The Japanese and the Indonesians knew pretty well how to arrive at a deal, and understood each other," Mr. Vickers said.

They were prepared to accept less than all the legal, contractual protections that Americans expect," he added. "But the Mission people were used to the U.S. regulatory system," in which everything is spelled out.

The two sides finally signed a contract in February 1994, but it was not until six weeks

ago that the last big hurdle - arranging the financing — was surmounted after more tough bargaining.

imposed deadline, a consortium of eight international banks signed papers for \$1.82 billion in loans, backed by guarantees from the U.S. and Japanese export-import banks.

Now, with construction barely under way at Paiton, the Mission team already is dreaming of the next Indonesian power project. which, given the country's drive for economic

growth, appears sure to be sizable. "Indonesia, in our view, provides very good future prospects," said Edward Muller, the company's president.

### Hong Kong Court. Focus of Dispute

By Kevin Murphy International Herald Tribine

HONG KONG - Britain and China failed to agree Thursday on the format for Hong Kong's new Court of Fi-nal Appeal as local fears grew that London is preparing to surrender in a crucial dispute with Beijing over the colony's future.

The eighth round of discussions on a matter once thought solved in principle lasted for more than eight hours before the two teams recessed. Talks reconvened, but a deal remained elusive on the structure of the body intended to replace the Privy Council as the highest tier of Hong Kong's legal sys-tem after it reverts to Chinese rule in 1997.

Concerns are mounting that China now wants to restructure the new court more to its liking after 1997, and that Britain is suddenly willing to accept this.

Hong Kong's governor, Chris Patten, had until recently attached great importance to the court being set up before 1997. Beijing has threatened to abolish the local legislature after 1997 because it does not agree with political reforms instituted in the colony without its prior approval. This raises the specter of the new court being endorsed by a handpicked legislature.

The threat of a legal vacuum, or any major loss in confidence in the court system, poses a di-rect threat to Hong Kong's rep-utation as the dominant legal Hong Kong," he said.

and commercial center in Asia lawyers and analysts said. Local legislators have rejected plants for a new court de-

signed along lines once thought to be approved by Beijing and endorsed by Mr. Patten. Hong Kong legislators have argued that more than one for-

eign judge should be allowed to sit on the panel of five jurists to be convened in the last stage of a legal appeal for cases decided in Hong Kong's courts.

Mr. Patten had repeatedly said that he wanted to see the new court established by 1996 a goal that requires legislators to approve its formation by the middle of this year. He has consistently argued that a flawed but completed deal was better than no deal at all, provided it vas enacted under British role

Mr. Patten suggested Thursday that Britain would proceed without China's agreement on legislating for the new court if continuing negotiations remained fruitless.

But when asked direct whether it was still Hong Kong government policy to have the court set up before 1997, he gave less than a ringing en-

What I think is imperative whatever one manages 10 chieve, is that any court set up in Hong Kong should be able to carry out the same role as the Privy Council and that there should be, as far as one can manage it, no rupture in the iudicial arrangements here in

### Prozac Shown to Ease Severe PMS Symptoms

By Sally Squires
Washington Past Service

WASHINGTON --- For the women who ride an emotional roller coaster the week before their menstrual periods, there is hope of relief. A major Canadian study shows that the antidepressant Prozac effectively reduces symptoms in more than half of women with the most severe form of premenstrual syndrome.

The findings confirm results from a handful of smaller studies of Prozac (also known by its chemical name, fluoxetine) and provide some of the most striking evidence of the biological roots of premenstrual syndrome, or PMS.

The study shows that PMS is real disorder, that it differs from ordinary depression and that it responds to Prozac," said David Rubinow, clinical director of the National Institute of

Mental Health. What the findings also mean is that "for the first time in

years there are actual treatments that a woman can choose for PMS," said Peter Schmidt, chief of National Institute of Mental Health's reproductive endocrine studies. The study appeared Thursday in the New igland Journal of Medicine,

Prozac, the most widely precribed anti-depressant in the United States, has been taken by 16 million patients worldwide since its introduction in 1986, according to its manufacturer, Eli Lilly and Co.

Some physicians have already begin prescribing from and other similar anti-deprisants such as Zoloft (sertralise) Paxil (paroxetine) and Au-franil (clomipramine) to treat severe premenstrual symptoms even though they are not approved by the Food and Drug

Premenstrual syndrome describes a range of symptoms that afflict an estimated 40 percent to 70 percent of women of reproductive age at some point

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#### TRAVEL UPDATE

#### SAS Dispute to Ground 800 Flights

STOCKHOLM (AP) - Scandinavian Airlines System said a contract dispute with the carrier's pilots would ground 800 flights for a 24-hour period starting at midnight Thursday. About 56,000 passengers would be affected by the combination strike and lockout, SAS added.

SAS said selective strike action by pilots caused the cancellation of 35 domestic and international flights on Thursday as last-ditch pay negotiations between pilots and management plodded on. The airline's 1,600 pilots are holding out for a 6.7 percent

annual pay increase but management has offered only 1 percent, a spokesman for the Danish Pilot Union said. Swedish, Norwegian and Danish SAS pilots, dissatisfied with the lack of progress in protracted pay talks, which started in February, announced last month that they would carry out one-day strikes on June 9, 12 and 14 in support of their claims.

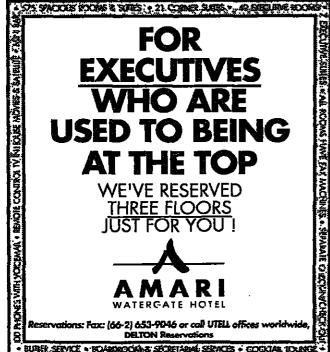
Two people suffering from cholera have been admitted to a Moscow hospital, the Interfax news agency quoted city medical authorities as saying on Thursday. Officials were trying to trace the source of the infection.

(Reures) International bus travel in Europe will be safer after 1997, when

stringent safety requirements are introduced across the Continent, transport ministers from 31 European states agreed on Thursday. Only buses meeting strict safety and environmental standards would be allowed to cross national borders, and they would have to undergo regular safety inspections, a spokesman said. (Reuters)

The ancient Chinese city of Chang'an, once the gateway to the famed Silk Road trade route, is being rebuilt, the Xinhua press agency said. The new city will cover 2.8 square kilometers (1.1 square miles) and have 15 gates, four watchtowers and 16 terraces with avenues up to 70 meters wide, making it the world's biggest replica metropolis. It is to be built in Zhengzhou, capital of central

ACCESS NUMBERS COUNTRIES



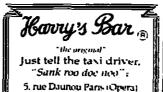
### Airline Safety Seats for Children Ruled Out

#### U.S. Agency Is Criticized After Rejecting Regulation, Citing Cost to Parents

By Don Phillips Washington Post Service

WASHINGTON - The Federal Aviation Administration says it will not require safety seats on airplanes for chil-dren under 2, which would haverequired parents to buy tickets for them.

The agency said that the added cost would lead some parents to drive, thereby causing



oping an information campaign research at the agency's Civil to persuade parents to use approved restraint systems.

Transportation Safety Board behind buckles forward in a and others who have pressed for crash, as it is designed to do, the years for regulations requiring institute said. child safety seats on airliners. may buy seats or use unsold seats if they are available for child safety seats.

backless booster seats on airliners because, it said, these devices can increase the likelihood nications for the Association of

more deaths and injuries on the of injuries in crashes or turbu- Flight Attendants. "That's like

The proposed ban on booster ministrator, Linda Hall seats, vest- and harness-type Daschle, said the FAA is devel- restraint systems grew out of Aeromedical Institute in Oklahoma City. Booster seats may The agency's decision was actually provide a platform to criticized by the National crush a child if the airline seat

The study found that rear-Children under 2 ride free on facing safety seats for children parents' laps, although parents under 20 pounds (9 kilograms) provide the best protection. Forward-facing safety seats for children 20 to 40 pounds are

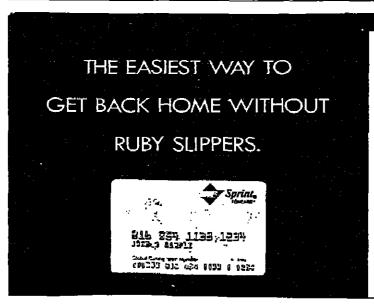
In a related action, the agen-cy proposed to ban the use of child restraint harnesses and "That's the most benign thing they could do," said Jane Goodman, director of commu-

saying we're going to ban gravel in apple pie."
The safety seat issue came up

Wednesday because the agency was providing a congressionally mandated report on the subject. The safety agency's study esti-mated that if airlines charged the full adult fare for children under 2, half would not make the trip, but 20 percent would switch to other transportation, primarily the automobile.

#### 2 Missing After Boats Collide

Agence France-Presse
DUNKIRK, France Dutch cargo ship collided Thursday with a French fishing trawler, sinking it, and two fish-ermen from the French boat were reported missing, rescue



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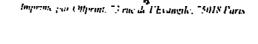
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#### THE AMERICAS

Members of the Massachusetts Senior Action Council ripping up copies of the "Contract With America" to demonstrate their opinion of scaled-back Medicare.

#### POLITICAL NOTES

### Arkansas Governor Faces Fraud Charges Over Loan WASHINGTON — Governor Jim Guy Tuck-

Ease

ipton.

er of Arkansas became the most prominent figure indicted in the Whitewater investigation whan a federal grand jury indicted him on charges of making false statements to obtain a federally backed loan and of conspiring to defraud the Internal Revenue Service.

The indictment, on Wednesday, says that Mr. -Tucker, a Democrat and governor since 1992, tried to hide profits from a multimillion-dollar cable television deal in 1987.

The indictment was sought by Kenneth W. Starr, the Whitewater independent counsel, but does not involve President Bill Clinton or his former business partner, James McDongal.

The three-count indictment centers on Mr. .Tucker's purchase and sale of interests in the cable-television business, which made him millions of dollars as a businessman and lawyer. According to the charges; he and a business associate, William Marks Sr., franchiently obtained \$300,000 in 1987 as part of an effort to buy cable interests.

In a separate case, a business partner of Mr. Tucker in an Arkansas land deal pleaded guilty on Thursday to a misdemeanor charge of conspiracy to misapply a \$65,000 loan. Stephen A. Smith, executive assistant to Mr. Clinton in his first term as governor, admitted to acquiring the loan on fraudulent pretenses and using it to pay off a larger loan that he, his father, Mr. Tucker and Mr. McDougal took out to finance the Kings River Land Co. development.

#### **Prayer Amendment Slated**

WASHINGTON -- Opening discussions on one of the most contentious issues that Congress will face, a House subcommittee began to lay the legislative groundwork Thursday for a constitutional amendment on school prayer.

The meeting of the Judiciary Committee's sub-

committee on the constitution crackled with angry exchanges between Republicans and Democrats and between committee members and

"The decision of whether to have a prayer at

some kind of school activity should properly be made by the people that are involved in that activity, not by a federal judge, not by an ACLU attorney," said Representative Ernest J. Istook Jr., Republican of Oklahoma, the leadoff witness. "That is a community decision not a federal

"It's also the next civil war," shot back Representative Jose E. Serrano, a Democrat from New York, who said that his South Bronx district included 125 ethnic groups. He pressed Mr. Istook to explain how he would craft a constitutional amendment on school prayer that would protect the rights of followers of minority regions or nonbelievers.

#### Welfare Option Is Offered

WASHINGTON — The Senate Democratic ader, Thomas A. Daschle of South Dakota, on Thursday outlined an alternative to Republican plans to redesign the nation's main welfare program for poor people, and the Clinton adminis-tration endorsed his approach.

Mr. Daschle said his proposal would abolish

the main cash assistance program. Aid to Famthes With Dependent Children, and replace it with guaranteed payments to low-income families for a maximum of five years.

Republicans would eliminate a long-standing provision of federal law that guarantees cash istance for anyone who meets the eligibility criteria, regardless of the total cost. By contrast, Mr. Daschle said he would preserve welfare as "a conditional entitlement of limited duration." He would also require able-bodied welfare recipients to sign contracts promising to work in return for their benefits.

Republicans control the Senate, so there is virtually no chance that Mr. Daschle's bill will pass. But Democrats said they would break off pieces of the bill and offer them as amendments to the Republican measure, hoping they might be accepted as part of a centrist compromise. (NYT)

#### Quote / Unquote

President Clinton, following through on his pledge to veto a \$16.5 billion spending cuts package: "I cannot in good conscience sign a bill that cuts education to save pet congressional projects. That is old politics. It is wrong." (WP)

#### **Away From Politics**

• One of the most powerful Russian crime leaders in the United States and five of his associates have been arrested for alleged conspiracy to commit extortion, the FBI said. The agency said in a statement that Vyacheslay Kirillovich Ivankov, who was released in 1991 after 10 years in a Russian jail, was arrested in New York. (Reuters)

• A total of \$29 million was awarded to the families of four victims and nine surviving passengers of the 1989 United Airlines crash at Sioux City, Iowa, including the off-duty flight instructor who brought the crippled DC-10 into a crash landing. Individual awards ranged from \$300,000 to \$4 million, according to the law firm that negotiated the

• One of Colombia's most powerful drug lords has been charged with importing tons of cocaine into New York and sending millions of dollars back home through an intricate money-laundering operation, according to a federal indictment unsealed in Brooklyn. Law enforcement officials said the fugitive, José Santacruz Londono, is one of the top three leaders of the Cali drug cartel. (NYT)

• A train slammed into a pickup truck at a ing seven farmworkers in the truck, officials said. crossing in eastern Oregon on Thursday, kill-

#### Brazil Acquires **Technology With** Military Potential

WASHINGTON - Administration officials say Russia has provided Brazil with carbon fi-ber technology that could have military applications.

The deal appears to violate Russia's obligations under the international Missile Technology Control Regime, which forbids trade in such weapons materials, said the officials, who spoke Wednesday night on condition of anonymity.

The administration has begun extensive discussions with Brazil on its plans for using the technology, the officials said.

Brazil has said it needs the technology, which is used to build lightweight casings for rocket motors, as part of its civilian space program. But arms proliferation experts have expressed fears that because such rockets also could carry warheads, Brazil's possession of the technology could set off an

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### House Defeats Bid to Repeal War Powers Act

By Katharine Q. Seelye
New York Times Service

WASHINGTON - Despite a last-minute appeal from Newt Gingrich, the House has defeated an attempt to repeal the 1973 War Powers Act, leaving intact the requirement that a president must bring home troops within 60 days of deployment unless Congress authorizes their continued presence.

In one of its most significant foreign policy votes in two decades, the House voted, 217 to 201, late Wednesday not to re-peal the law. Mr. Gingrich, the House speaker, and Representative Henry J. Hyde, Republican of Illinois, who sponsored the repeal, said that they had failed to educate enough Republicans; but they also said the current conflict in Bosnia had scared Republicans away from giving President Bill Clin-ton a free hand overseas.

"A number of members felt that, on the edge of Bosnia, they didn't want a year from now to have done something that strengthened the president's hand," Mr. Gingrich said after

"They didn't want a vote to come back to haunt us."

But others argued that the bill was defeated on its merits. "Every president finds Congress inconvenient," said Representative Toby Roth, Republican of Wisconsin, who voted against repeal. "But we're a democracy, not a monarchy."

Many senior Republicans were among the 44 who joined 172 Democrats and 1 Independent in voting against the measure. Favoring it were 178 Republicans and 23 Democrats.

The War Powers Act, enacted over President Richard Nixon's veto after the United States invaded Cambodia during the Vietnam War, requires that the president remove U.S. forces from combat, or from situations in which combat may be imminent," within 60 days of their deployment, unless Congress subsequently authorizes their presence.

Members of both Congress and the executive branch have long believed the law to be unworkable and unconstitutional. But the Republican leadership was worried, especially as eign affairs and strengthened in the fighting in the Balkans has national security. He does not riod in Bosnia. increased, that the freshman deserve to be undermined and Republicans were not support- cluttered and weakened." ing the effort to repeal the law because they could not fathom

whom many in Congress view as inept in foreign affairs. In a dramatic last-minute appeal, senior members of both parties were given a chance to persuade members on the floor, Three former presidents - Jimwith Mr. Gingrich exhorting them to "allow the commander

"As chief spokesman in the House Republican Party," Mr. Gingrich declared to a chamber packed with Republicans but short on Democrats, "I want to strengthen the current Democratic president because he's the ter making his appeal on the president of the United States. and the president of the United States on a bipartisan basis de-

Mr. Gingrich said after the vote that some members told

ceding power to a Democratic him they switched their votes president, particularly one and went against the repeal once Mr. Gingrich invoked Mr. Clinton's name. Mr. Gingrich himself was perturbed that Mr. Clinton never demonstrated his support.

my Carter, Gerald Ford and George Bush — sent Mr. Hyde in chief to be the commander in letters of support. The current president of the United States was away without leadership, he was totally AWOL on this issue, and it is frankly pathetic." Mr. Gingrich told reporters just moments af-

Administration officials had serves to be strengthened in for- afraid of appearing to be war- with us to improve it!"

Mr. Clinton was also in a bind because the repeal is part of a larger, sweeping foreign aid bill that he has vowed to veto.

But Mr. Clinton has declared the provisions of the aid bill "the most isolationist proposals to come before the Congress in the last 50 years" and a frontal failing to educate members. assault on presidential authority. So it would be hard for him

framed the debate as one between ceding power to the president versus maintaining Congress's role as an equal branch government

Representative Lee H. Hamnational Relations Committee. implored members: "Don't indicated that Mr. Clinton was cede away this power! Work

Repealing the War Powers Act, he said, "sends a signal that we abdicate our power and give it to the president carte

But Mr. Gingrich and Mr. Hyde in the end blamed their defeat on poor timing in which the effort coincided with the latest crisis in Bosnia and on

"A lot of our members felt we would be strengthening Clinto advocate a measure such as ton's hand, and they didn't repeal of the War Powers Act in a bill that he planned to veto. want to go home and explain it." Mr. Hyde said after the Opponents of the repeal vote. "There is a fear that the president is going to commit

He, too, complained that Mr. Clinton offered no help in bolstering support for the bill, and said he would not offer the meailton of Indiana, the ranking sure again until he could be Democrat on the House Interassured of more Democratic

support.
"I'm not interested in running into a brick wall again," he

### Senate Approves Tough Terrorism Bill

By Helen Dewar

WASHINGTON - The Senate has overwhelmingly approved a Republican version of President Bill Clinton's counterterrorism bill that includes the most stringent curbs ever imposed by Congress on appeals by death row inmates.

The legislation, which passed Wednesday by a vote of 91 to 8, includes nearly all of the major recommendations made by Mr. Clinton after the April 19 bombing of the federal building in Oklahoma City to strengthen the government's powers to thwart, investigate and punish terrorist acts at home and abroad.

"This legislation will give law enforcement the tools it needs to do everything possible to prevent this kind of tragedy from happening again," the president said in a statement. "It will also help us prosecute and punish terrorists more effectively. I urge the House to do its part and get a bill on my desk without delay."

The House plans to begin action on a similar measure next week, virtually ensuring enactment of the bill, probably The House has also approved legisla-

tion to restrict death row appeals, and sources said it was likely to agree to its inclusion in the anti-terrorism bill.

broadened to include the party's longsought goal of sharply curtailing the habeas corpus appeals under which stateimposed death sentences can be challenged in federal court on constitutional grounds.

The bill would limit most death row inmates to one appeal filed within one year under time limits that would conclude most cases within two years of sentencing. A second appeal would be allowed only under narrow circum-stances, including new evidence that could not have been discovered during the first trial that shows "clear and convincing evidence" of innocence.

The legislation would "stop the frivolous appeals that are driving people nuts," the Judiciary Committee chairman, Orrin G. Hatch, a Utah Republican, argued during debate.

But critics contended it would trample on one of the nation's most basic guarantees of a right to fair trial. "The perpetrators of the Oklahoma City tragedy will have triumphed if their actions prompt us to short-circuit the Constitution," said Senator Edward M. Kennedy, Democrat of Massachusetts.

Nearly 3,000 prisoners are under death sentence nationwide, hundreds for a decade or more. Many states have At the insistence of Republicans, Mr. imposed strict legal time limits on ap-Clinton's anti-terrorism proposals were peals, and the federal courts have steadi-

dozen years without appreciably speeding the process. The bill would have no effect on state processes that often drag

on for years. The anti-terrorism bill would authorize more than \$2 billion over five years. Mr. Clinton proposed \$1.5 billion to strengthen anti-terrorism activities, including 1,000 new law enforcement offi-

It would increase penalties for terrorist crimes and conspiracies involving explosives, broaden federal jurisdiction over terrorist-motivated crimes and create a federal death penalty for terrorist

It would also streamline procedures for deporting alleged alien terrorists and expand government's authority to exclude suspected alien terrorists.

The Senate also agreed to Mr. Clinton's request for authority to require that tracing agents, called taggants, be included in explosive materials to make them easier to track.

The eight senators who voted against the bill were Russell Feingold of Wisconsin, Carol Moseley-Braun of Illinois, Daniel Patrick Moynihan of New York, Claiborne Pell of Rhode Island, Paul simon of Illinois and Paul Wellstone of Minnesota, all Democrats, along with Mark O. Hatfield and Bob Packwood of

### Philip Morris Secretly Studied Nicotine's Effects

By Philip J. Hilts and Glenn Collins New York Times Service

NEW YORK - In 15 years of previously undisclosed research, the world's largest tobacco company studied nicotine and found that it affected the body, brain and behavior of

That work is at odds with arguments by the company, Philip Morris, that nicotine should not be regulated under laws applying to drugs that affect the body.

About 2,000 pages of documents obtained by The New York Times show that the company's researchers used laboratory methods that are customarily employed in assessing drugs to study the effects of nicotine on smokers, and wrote about what they described as the "pharmacologic" effects of

asserted that it does not manipulate the levels of nicotine in its products, the documents also pleasing to smokers. Charles R. Wall, a Philip

Morris lawyer, said Wednesday that he was familiar with the ing work."

United Kingdom

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Gulf Region

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documents, acknowledging they showed that the company carried out extensive research ating products for the market.

But critics of tobacco companies say the studies described in the documents show that Philip Morris understood more comknowledged the effects of its products on smokers and failed to disclose what it knew to customers or regulators.

The documents are coming to light as the Food and Drug Administration investigates whether nicotine should be reg-ulated as a drug. That would allow the government to restrict the way cigarettes are made and sold. Federal law states that a substance must be regulated as a drug if the manufacturer intentionally uses it to "affect the structure or function of the Although the company has body" of consumers.

The Philip Morris research on nicotine comes mostly from the company's research center show that Philip Morris studied in Richmond, Virginia, and is different levels of nicotine in dated from 1966 to 1981. The cigarettes to find what was documents were made available on the condition that the source not be identified other than as a person involved in "anti-smok-

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uments show the following: the company did no College students were the products at minors.

on nicotine over many years subjects for much of Philip in test cigarettes. But he said the 15 years, and one study, based eral government, anti-tobacco nicotine was not just calming or research was never used in cre- on a questionnaire about smok- groups and tobacco researchers, stimulating, but it was having ing habits in an Iowa town, included teen-agers as young as

Opponents have contended selling their products to younformed early. Mr. Wall, the

Among other things, the doc- Philip Morris spokesman, said ize that they could reduce the

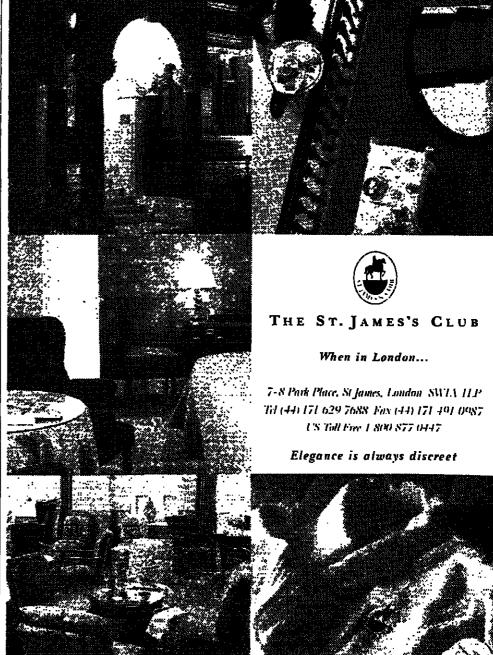
even some whose work the tobacco companies had paid for. Dr. Victor DeNoble, who

was a research scientist in Philthat the tobacco companies ip Morris's Richmond laboratopletely than it has publicly ac- have long been interested in ries from 1980 to 1984 and is body and behavior, including ger people because smoking said the most crucial finding in habits and brand loyalties are the research was this:

"The company began to real- al, the research found.

the company did not aim its tar, but increase the nicotine. and still have the cigarette be on nicotine over many years subjects for much of Philip The Philip Morris files conacceptable to the smoker. After and manipulated nicotine levels Morris's research for more than tained information on the fedits effect centrally, in the brain, and that people were smoking for brain effects" - a mild high that induces craving.

Nicotine affects the brain, familiar with the documents, changing heart rate, intestinal action, endocrine functions,





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### Taiwan's President: Still Not the World's Favorite Guest

By Kevin Murphy International Herald Tribune

HONG KONG — Unless China lets the United States off with scant retribution for allowing Taiwan's president, Lee Teng-hui, to visit there this week - an unlikely scenario few other major countries will soon follow Washington's lead in allowing such a trip.

Many privately sympathize with Taiwan's bid to break out of the long diplomatic isolation imposed upon it by Beijing, yet most countries, particularly in Asia, would rather not be asked 10 welcome a senior Taiwanese visit that could risk their trade with China

Some, namely the countries of the Association of South East Asian Nations, did so in 1994, Mr. Lee, or Taiwan's second-ranking official, Prime Minister Lien Chan, made private visits where they often ended up playing golf with senior leaders of the host countries.

Although Beijing protested, there was was little real retalia-tion by China, an acknowledgment perhaps of the major role Taiwanese investors play in Malaysia, Indonesia, the Philippines and Thailand.

But given China's extreme agitation over Mr. Lee's "unofficial" U.S. trip, few Asian nation appear ready for another Taiwanese visit.

"There's no question this is an area where we all watch to see what other countries can get away with," said a Hong Kong-

based consul-general of a neighboring country that has seen its trade with Taiwan Asian neighbors who have benmushroom recently, but has yet to have a visit by Mr. Lee.

"The United States can get away with things no one else can when it comes to China, so this visit is not really an accu-

#### **NEWS ANALYSIS**

rate precedent-setter for the rest of us," said the diplomat, who spoke on condition of anonymity. "Caution is again the

Commentators in Taiwan have voiced hopes that a successful visit by Mr. Lee, who is sure us; that would only force attending a reunion at his alma mater, Cornell University, will pave the way for greater diplomatic recognition for Taiwan.

Perhaps, too, they argue, it will help smooth the nation's entry into the World Trade Organization, the successor to the General Agreement on Tariffs

That Taiwan, which has joined the world's top 15 trading nations and is one of Asia's freest nations by Western standards, must exist in China's shadow, galls most of its 20 million citizens.

But with China zealously guarding an upper hand strengthened when the United States switched its recognition from Taipei to Beijing in 1979, Taiwan must depend on other countries to confront China on

efited from heavy Taiwanese investment and the 29 countries that recognize Taipei instead of Beijing and accept Taiwanese

For most countries, China is too just big a potential market to alienate.

"We just hope they don't ask us," said a Western European ambassador to China, referring to a potential Taiwanese "unofficial visit" overture to his country. "The answer would have to be no, but they know this and are careful not to presus to endorse Beijing.

"Inviting Mr. Lee to visit would certainly put our business interests at risk, the ambassador added. The diplomat could look at French companies' exclusion from China business contracts after Paris decided to sell Mirage fighter jets to Taipei in September

"And you have to ask whether it's really in the world's best interests to do anything that increases the risk of conflict to the region," the European ambas-sador said.

Now, diplomats are looking beyond the United States to Japan for signs of further Taiwanese diplomatic advances - Mr. Lee attended Kyoto University, while Japan, a major creditor, is powerful enough to risk China's



Taipei residents watching coverage Thursday of Mr. Lee's arrival in the United States.

### Vietnamese Rampage in Hong Kong Camps Over Repatriation

HONG KONG - Order was restored Thursday after the second riot in camps in Southeast Asia. less than a month by Vietnamese refugees resisting repatriation from camps in Hong Kong.

Six Vietnamese and two prison officers were injured in the overnight ram-page at the High Island detention center. The government said it took 800 rounds of tear gas to quell the unrest.

The government accused Vietnamese. armed with homemade weapons, of breaking down barriers inside the camp and setting fire to the camp kitchen and adjacent buildings.

They also pillaged offices and stole stores and equipment," it said. It added that many were armed with "dangerous objects and homemade weapons.

Vietnamese who face repatriation from

A refugee advocacy group warned Wednesday of impending violence, but the British administration in Hong Kong insisted that it was not to blame. What happened this morning at High Island was the responsibility of the Vietnamese in the camp," said the government's refugee coordinator. Brian Bres-

The unrest was touched off by the authorities' attempt to transfer 94 Vietnamese to a prison in central Hong Kong before they are to be forcibly

The violence followed a May 20 rampage in another detention center, White-

Hong Kong has half of the 40,000 head, in which tear gas was used to suppress thousands of inmates.

The Vietnamese left in Southeast Asian camps have become restive after U.S. congressmen proposed to set aside \$25 million for their resettlement in the United States. The proposal goes to the Senate later this month.

In Geneva, the UN High Commissioner for Refugees said Thursday that the proposed legislation was partly to blame for the overnight protest in Hong

A spokeswoman for the UN High Commissioner for Refugees said the legislation, which would force rescreening of Vietnamese asylum-seekers in Asia. had created "false hopes" for the migrants that they might be eligible for a new life in the United States.

But the UN agency said 40,000 Vietnamese migrants, who have been denied refugee status and live in camps in Southeast Asia, had nothing to fear if they were sent home.

"The pace of protests is clearly stepping up," said the spokeswoman, Ruth We can't attribute it all to the pend-

ing U.S. legislation. But the whole cli- Prime Minister P.V. Narasimha mate of frustration is linked to uncer- Rao had to intervene. He met tainty, which is obviously in part with state officials who agreed attributable to the legislation.

The measure being debated by Congress would require Vietnamese and Laotian migrants in Asia to be rescreened for asylum, a process likely to take years and to cost millions of dol-(AFP, Reuters)

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#### New Delhi Gets Water, Heat Crisis Continues Compiled by Our Staff From Disparches

NEW DELHI - A neighboring state has agreed to end a water crisis in New Delhi, a city of 12 million residents, by releasing more water into the Yamuna River.

The dispute over the river's water had become so bitter that to release the water. But there was no respite from the heat

At least 100 people have died as temperatures reached nearly 50 degrees centigrade (122 (AP, AFP)

### BRIEFLY ASIA

### South Korea Balks on U.S. Accord

KUALA LUMPUR - The United States is struggling to persuade a reluctant South Korea to endorse a nuclear agreement with North Korea intended to end the threat that the North might obtain nuclear weapons, U.S. diplomats said gen for a

. of

Thursday.

They said that after a telephone call Wednesday from Provident Kim Young Sam of South President Bill Clinton to President Kim Young Sam of South Korea, the State Department sent a senior diplomat to Seonl to confer with Mr. Kim, who has expressed reservations about the terms of an agreement to provide two nuclear reactors to

In exchange for the new plants, North Korea has promised to forgo a nuclear weapons program and to shut down two older nuclear plants capable of turning out large amounts of photonium, the essential ingredient in making nuclear bombs. U.S. diplomats in Malaysia, where recent talks with the North Koreans have taken place, announced this week that after months of stalemate, they had made important progress in negotiations aimed at ending North Korea's aspirations to

build nuclear weapons. But a U.S. diplomat said Thursday that while the Americans and the North Koreans may indeed be closing in on a final agreement, South Korea, which will pay most of the \$4 billion cost of the two reactors, was beginning to balk, prompting the call from Mr. Clinton in Washington to Mr.

According to news reports in South Korea, Mr. Kim and his government are insisting that South Korea have greater authority over the project, which is expected to be built by South Korean contractors using South Korean nuclear technology.

#### Troop Buildup Alarms Pakistan

ISLAMABAD, Pakistan — India has sent an additional 80,000 troops into the disputed Kashmir region, and the

matter is of "serious" concern for Pakistan, Foreign Minister Aseff Ahmed Ali said in remarks published Thursday.

The troops were inducted recently under the "excuse" of the organizing elections in Indian-controlled Kashmir, Mr. Air said, but they have not been withdrawn despite the postpone and the of the polic by New Delbi. According to official beautiful. ment of the polls by New Delhi. According to officials here about 600,000 Indian troops and security forces were in Kashmir before the arrival of the reinforcements.

Mr. Ali, who was quoted by the official Associated Pressor Pakistan, said India had brought its troop strength in Kash mir to the "maximum" level. "That is a very serious matter he said.

#### **VOICES** From Asia

Tomiichi Murayama, prime minister of Japan, visiting Tokyo police headquarters on Thursday to encourage investigators looking into the Tokyo subway nerve gas attack: "As the investigation reached a turning point, we have been able to recover public trust in Japanese police."

Li Jianxin, a manager at Zhejiang Securities, predicting that Shanghai investors would force down share prices as new stock comes into the market: "That's Shanghai for you.

Investors here just love to stir-fry the news." (Bloomberg)

Jim Bolger, prime minister of New Zealand, after Rim.

Anderton's leftist Alliance party offered no-confidence motions against the conservative government on Thursday."

That was an extraordinary example of That was an extraordinary example of a man breaking his word. Mr. Anderton gave his word to the nation on camera that he would support the largest political party in Parliament on motions of confidence. He said that at the election last year, he made a lot of kndos out of it and then today he just stood up in Parliament and tore this commitment — a very solemn commitment - up."

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By Fred Hiatt Washington Past Service

YEREVAN, Armenia - For Bagrat Sadoyan, the promise of post-Soviet democracy turned sour in the early morning darkness of Dec. 29.

Armenian police summoned the newsman to the office of his wire service here in the Armenian capital, grabbed some documents and trampled the rest underfoot, confiscated his computers and took Mr. Sadoyan off to jail - all without court order or scarch warrant.

·For Mr. Sadoyan and his 50 employees, out of jail but still jobless live months later, the reason was clear even without official explanation: Their wire service, Hailour, was affiliated with an opposition party that the president had just suspended.

When the Soviet Union collapsed four-and-a-half years ago, 15 new or reborn countries burst onto the world stage, and all proclaimed themselves democracies. Freed from Communist oppression and Moscow's heavy hand, they promised free elections, respect for human rights and freedom of speech and belief.

Today, the picture is quite different. Six republics are heavily authoritarian

Another six, including Russia and mocracy and a yearning for a stronger hand. Only the three Baltic republics appear to be moving steadily toward the promised rule of law, although

even there, major obstacles remain. "We are all sick, sick with the Communist bacillus," said Shamvel Shacommunism, and it's very hard for us to imagine a new way to live."

Considering their economic problems, long-repressed ethnic hatreds and sheer inexperience, many of the new nations have done well to hang on even in part to democratic norms, analysts say,

Still, many republics have moved far from the initial vision of pluralism and rule of law. In Central Asia, the former Communist Party rulers of Uzbekistan and Turkmenistan have transformed themselves into unchallenged poten-

In Kazakhstan, President Nursultan A. Nazarbayev, who enjoys a reputation in the West as a moderate democrat, dissolved his Parliament this year, began ruling by decree and staged a

or ruled by strongmen who took power in referendum allowing him to remain leader into the next millennium.

Even tiny Kyrgyzstan, whose physi-Ukraine, seem to hover between de- cist-president, Askar Akayev, early became the darling of Western democracies, has retreated from its initial ambitions.

> Perhaps nowhere is the apparent backsliding more troubling and complex than here in Armenia.

As Armenia's neighbors, Azerbaijan hinian, an opposition legislator in Arand Georgia, saw their their elected menia. "We were raised into rulers deposed in violent coups — reelected president, Levon A. Ter-Peelected president, Levon A. Ier-re-trossian, a former dissident, continued pended party.

"Taking full responsibility, I an-

Armenia developed warm relations with the United States, which has a community of nearly 1 million Armenian-Americans, and became the third-largest recipient of U.S. aid, per capita, in the world.

But in December, Mr. Ter-Petrossian announced he was suspending one of Armenia's leading opposition par-ties. That night, the police also shut more than a dozen newspapers, wire services like Mr. Sadoyen's and magazines affiliated with the party, the Armenian Revolutionary Federation (known in Armenian as Dashnak).

that engaged in political murder and narcotics trafficking, and about two outlian said. dozen people were jailed. They remain

Last month, one of the prisoners placing them in both cases with former ing parliamentary requests for an indemocracy since voting for independent inquiry, the president instead dence in 1991. A conflict with neigh-

dent's former comrade and prime min- severe measures were taken against ister, such comments bespeak a sad- those who threaten the foundations of dening slide toward authoritarianism. that state," said a presidential loyalist, If there are criminals within the Dash- Ara Sahakian, who is the deputy parnak party, he said, the president liamentary speaker. "We have a reshould seek their prosecution, but sponsibility, before our children and without banning an entire party. "You can't say we are already a statehood."

The party is a "terrorist, fascast organization," he added.

The party is a "terrorist, fascast organization," he added.

The party is a "terrorist, fascast organization," he added. tion," he added.

popularity.

Every state has had periods when, for the defense of the state, certain

Mr. Ter-Petrossian accused the par- totalitarian state, but you also can no ty of sheltering a terrorist organization longer say that this government is leading toward democracy," Mr. Man-

Mr. Ter-Petrossian, who declined to in prison, and there have been no tri- be interviewed for this article, said in als. The party's suspension was for six his speech that Mr. Manoukian and months, just long enough to prevent its other former political allies who have participation in July 5 parliamentary turned against him are suffering from the most severe case of moral decay."

Last month, one of the prisoners Defenders of the president say Ar-died in jail after his lawyer's requests menia has certainly been subjected to for medical care were ignored. Reject- stresses that could shake a young deissued a blistering attack on the sus-boring Azerbaijan has kept the republic, with its population of 3.6 million, on a war footing.

nounce today that the Armenian Rev-olutionary Federation committed jan and other neighbors impoverished murders," Mr. Ter-Petrossian said, Armenia and forced hundreds of thounaming people he said were victims. sands to leave the country in search of

all who come after us, not to lose this



COFFEE BREAK — Mayor Pierre Mauroy of Lille, a former French prime minister, and Martine Aubry, a former labor minister, both Socialists, took time out Thursday at a café during campaigning for municipal elections Sunday.

#### Latin American Priority For Madrid at EU Helm

MADRID — Spain will push for improved ties with Latin America and southem Mediterranean countries during its European Union presidency, including an economic accord with Cuba, Foreign Minister Javier Solana said Thursday.

Mr. Solana said Spain would also seek to clarify Phase Three steps to economic and monetary union and achieving a single currency. A study presented to the seminar indicated that just 9 of the 15 EU members were likely to meet the criteria for monetary union by 1999.

He defined the main priorities of the Spanish presidency as economic growth and employment; future members from central and eastern Europe; ties with the United States, Latin America and Mediterranean countries, and European security and defense.

#### Yugoslav Aid Pilfered

PARIS - Between 20 and 30 percent of European Union aid to the former Yugoslavia goes missing before it reaches those in need, the European commissioner for such matters said here Thursday.

Emma Bonino, whose portfolio includes humanitarian aid, said pilfering and blackmail requiring bribes by convoy leaders along the way accounted for most of the

#### Turkey Fined Over Jails

STRASBOURG — The European Court of Human Rights, delivering its list rulings in complaints against Turkey, ordered Ankara on Thursday to pay damages and legal costs to people imprisoned for unreasonable lengths of time.

The court ruled that two opposition leaders - Nabi Yagei, general secretary of the Turkish Workers' Party, and Nihat

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Sargin, secretary-general of the Turkish Communist Party — held for 2½ years on charges related to their political views before being acquitted, should be paid 30,000 francs (Số,000) each.

BRIEFLY EUROPE

In a second case, the court ordered damages of 30,000 francs to Sadi Mansur, an Iranian convicted of drug-trafficking who spent 91/2 years in jail during trial proceedings. The court's authority was recognized by Turkey in 1990.

#### Lisbon Curbs Legislators

LISBON -- Portuguese legislators voted early Thursday to clean up political life by passing bills to prevent conflicts of interest and discourage politicians from taking jobs outside Parliament.

Legislators will have to list what they consider to be potential conflicts of interest between their jobs in Parliament and outside activities in a "Register of Inter-ests." A new all-party Ethics Commission will supervise their conduct.

The hills, which must be approved by President Mario Soares before becoming law, increase the length of service by legislators before they can claim pensions to 12 years from eight years. They also will only be allowed to claim pensions after age

Major Again Assailed

LONDON — Prime Minister John Major faced a new dispute over Europe on Thursday that stems from a report by an informatic study around carrier that he is influential study group saying that he is wrong to oppose plans for a single Europe-an currency. Mr. Major himself kept silent

The group, led by the former Bank of England governor Lord Kingsdown, said Mr. Major's stated intention to oppose steps toward closer European integration at the Inter-Governmental Conference in 1996 would just leave Britain even more

Oil Dumping Protested

COPENHAGEN — Protesters reminded nine European environment ministers of pollution threats in the North Sea at the start of a conference Thursday in western

Svend Auken, the Danish environment minister, said the Shell company's Bret Spar oil storage, which is fitted with explosives in preparation for its dumping off Scotland, "is going to be a hot issue here."

Greenpeace, whose members have been occupying the Bret Spar in protest, erected a steel replica of the oil platform outside the congress center to symbolize the North Sea governments' attitudes about using the Atlantic Ocean "as a toilet for their indus-

### Calendar

European Union events scheduled for Friday, June 9.

BRUSSELS: Jacques Santer, president of the European Commission, is to hold a press conference on next week's G-7 summit meeting in Halifax.

MADRID: The commissioner in charges of fisheries, Emma Bonino, is to discuss over the fishing dispute between Spain and Morocco with Spanish officials.

LONDON: The commissioner in charge external trade and relations with industrialized countries, Sir Leon Brittan, is to eet with Hong Kong's finance secretary. Donald Tsang.

DUBLIN: The commissioner in charge justice, immigration and fraud control, Anita Gradin, is to meet with Justice Minister Nora Owens and Finance Minister Ruari Quinn of Ireland.

Sources: Agence Europe, AFP.

### For Romania Press, It's a Difficult Birth

Officialdom Throws Up Obstacles

By Jane Perlez New York Times Service

BUCHAREST -- On the top floor of a Communist-era apartment block, Neculai Munteanu dons headphones and readies himself before the microphone of a jerry-built high-tech radio studio for his show, 'News for the Trash Can."

His breakfast-time barbs are delivered in a crackling style: How is President Ion Iliescu, a foe of the deposed Romanian monarchy, going to treat the visiting Duchess of York? Why is his rendition of the Romanian flute so weak compared with Bill Clinton's lusty sax? Mr. Munteanu, a reporter for Radio Free Europe whom Romanians used to tune into secretly, is back home poking fun at the government. His presence shows that freedom of the press has made a start in a country where such an idea would have been langhed at six years ago But Mr. Munteanu acknowl-

edges that it still has a long way to go.
"There is freedom of the press and opinion; it's the most important acquisition of the revolution," said Mr. Mun-

"But our greatest problem is the average Romanian does not understand this, does not understand the issues and still lives in terrible misery. There's no such thing as a civil society here. But God himself needed

seven days to create the world."

Since the overthrow and execution of Nicolae Ceausescu in 1989, the coalition government of former Communists and nationalists manipulates the levers of the mass media in ways learned under one of communism's most successful propaganda machines.

The government controls the only nationwide television channel and has taken recent steps to prevent competition. At 8 every night, about 80 per-cent of the television audience watches the government's stodgy newscast dominated by Mr. Iliescu and his aides.

The 14 newspapers that Mr. Munteanu tucks under his arm on the way to work give a de-ceptive impression. The papers, many of them filled with sex

and fantasy that pass as news. have plunged in circulation, in part because of the government's control of newsprint production and distribution.

Private FM radio stations like Mr. Munteann's reach only small audiences. Private television stations have opened in Bucharest and in the countryside but are restricted by regu-

lation to local penetration.

Similar problems trouble television and the press in the region. Even in Hungary and Poland, the governments, composed of former Communists. remain uneasy with press freedom. But in Romania old habits seem harder to shed.

In the heady days of 1990, opposition newspapers opened. Romania Libra, an avowedly opposition newspaper, sold 1.5 million copies a day at its peak in 1992. But its circulation has dropped to 140,000 because of the government's control of newsprint production, according to Petre Bacanu, editor in

Only one newsprint plant exists in Romania, at an antiquated site 200 kilometers (125 miles) northeast of Bucharest.

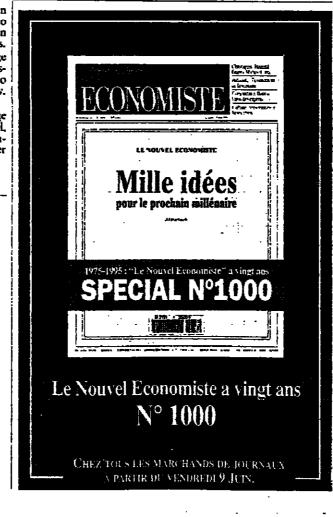
To make sure that he gets his ration, Mr. Bacanu says, he sends out a car to follow the newsprint truck along the route to Bucharest to ensure that the driver does not stop and get drunk or that if the truck breaks

down it is repaired. "If we didn't do that, the newsprint wouldn't arrive," he

With a national election scheduled next year and widespread irritation among Romanians at their dismal standard of living, the Iliescu govern-ment is determined to maintain its television monopoly.

Thus, the governing coalition postponed indefinitely a tender it opened last year for a national commercial television station. It had received bids from three private Bucharest chan-

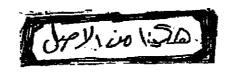
The government has also blocked the establishment of a 13-member board intended to guarantee the independence of the national television station, a move that was supposed to satby the Council of Europe.





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### **Would Cut** U.S. Aid **Overseas**

WASHINGTON - Foreign aid would be cut sharply and three key foreign policy agen-cies would be dismantled under a bill approved Thursday by the House of Representatives. President Bill Clinton has said he would veto any such measure.

The chairman of the International Relations Committee. Benjamin Gilman, Republican of New York, called the bill, approved by a vote of 222 to 192, a major step in streamlining the federal government while "ensuring that our nation continues as a world leader."

Democratic opponents called it isolationist.

Senate bills making similar cuts have been approved by that chamber's Foreign Relations Committee and are expected to come up for debate on the floor in several weeks.

The House bill would abolish the Agency for International Development, the Arms Control and Disarmament Agency and the United States Information Agency, consolidating their work into an expanded State Department.

The legislation would cut foreign spending by \$3 billion over three years, with reductions in both foreign aid and diplomatic operations.

It would set aid levels at \$11.3 billion for the fiscal year beginning Oct. 1 and \$10.8 billion the following year. Mr. Clinton had asked for \$12.7 billion, just slightly above this year's aid level.

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Overall, the bill would authorize \$31.8 billion over two years for both aid and the cost of U.S. diplomacy.

The only major aid programs unaffected by the bill's cuts are the \$3 billion for Israel and the

\$2.1 billion for Egypt each year. On a 318-to-99 vote Thursday, the House tacked on an amendment requiring the president to lift unilaterally the UNimposed arms embargo against Bosnia Mr. Clinton has disregarded previous nonbinding legislation on the issue.

There have to be consequences of aggression," said Representative Albert Russell Wynn, Democrat of Maryland. But Representative Lee

Hamilton, Democrat of Indiana, who opposes unilateral action on the embargo, said lifting it would put 25,000 U.S. troops in Bosnia. "It will put Americans right in the middle of the hottest war today — a very.

Mr. Gilman, who sponsored the bill cutting foreign aid, said: The Cold War has ended. I say it's time to reform foreign policy agencies."

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### House Vote As Events Swirl, Bosnians Despair

By John Pomfret Wushington Post Service

SARAJEVO, Bosnia-Herzegovina — Word that Captain Scott F. O'Grady of the U.S. Air Force survived on bugs and rainwater for several days in the heart of Bosnian Serbian territory brought a sad smile to the lips of Sead Senigdzic.

"I guess he knows what it's like to be a Muslim in Bosnia then," said the 36-yearold, who suffered the same fate for more than two months in a Bosnian Serbian concentration camp in 1992. "I welcome him to our club."

While the U.S. government celebrated the gutsy rescue of the air force pilot as old-fashioned American heroism, people in Sarajevo looked at the first foray of U.S. ground troops onto Bosnian soil in a different light.

Whereas once they hoped the U.S. government would help deliver them from their fate by facilitating the delivery of weapons to defend themselves against the Serbs, now many people said the American action to save the pilot was typical of the West's response to their country.

"It's like Bosnia is a big stage but the Bosnian people have disappeared," said Danka Berberovic, a 63-year-old retired teacher who spent most of the day Thursday lining up for water at a pump periodically targeted by a Bosnian Serbian sniper.

"Of course, I am overjoyed that he escaped captivity because I know what those people can do," said the woman, who lost a son in fighting during the war. "Still, how can you celebrate so much when hundreds of thousands of people remain locked in a

Captain O'Grady's rescue was the latest in a series of events that have reinforced the impression here that the people of Bosnia have become bystanders in their

Over the last two months, conditions in Sarajevo and other besieged Muslim en-claves throughout this country have deteri-orated precipitously. Today there is almost no food, no water, no electricity or natural gas coming into the city because of a re-newed blockade by the Bosnian Serbs.

But the widespread debate in Western capitals about the future of the United Nations' mission seems to many here more concerned with avoiding humiliation at the hands of the Serbs than improving the lives

Continued from Page 1

sustained only a slight burn on

his neck, apparently when he

Paul Rochereto.

told reporters:

his survival kit ran out.

periment with your searching and rescuing, your no-fly zone, your new world order," said Sanela Husenovic, 22, "As long as you keep everything in this big Balkans theater, things will be O.K."

Mrs. Husenovic spent much of the afternoon tending spring onions and lettuce on a small plot of dirt next to a sign reading: 'Look Out! Sniper."

She divulged that a Serbian gurman across Sarajevo's ravine occasionally "irrigates" her field with his bullets, sometimes

when she is tilling her plot.
"I keep right on working," she said. Tve got a family to feed." Mrs. Husenovic said the plot's meager

'It's like Bosnia is a big stage but the Bosnian people have disappeared.'

Danka Berberovic, a retired teacher

harvest was more critical to her family than ever before. Serbian forces have compelled the United Nations to close Sarajevo's airport to aid flights for the past two months - the longest break in the world's longest airlift. Serbian gunmen have also shut the roads to UN aid convoys that would have brought food to the city.

Mrs. Husenovic's family received its last UN aid parcel three weeks ago — less than a pound of macaroni, a small jug of cooking oil and some green beans. Now they have run out.

As such, her family, like other Sarajevans, is digging into whatever stocks it amassed when times were a little better and one road was open to the outside

We now have virtually empty warehouses and hardly any food to distribute." Mark Cutts, the head of the Sarajevo office of the UN High Commissioner for Refugees, reported Thursday.

The situation has become so desperate that for the past five days, Mr. Cutts has ordered UN aid trucks to undertake a stealth mission, sneaking 250 tons of flour from Sarajevo's airport into the city via a Muslim suburb that is peppered daily by Serbian sniper fire.

RESCUE: Marines Pick Up Pilot HOMBRE: A Gutsy Survival Kit

"We're like a stage where you can ex- tons of milk powder for Unice?'s baby

INTERNATIONAL

While there has been talk in Sarajevo that the UN forces here would secure a road connecting the city to the outside world over Mount Igman to the west of the capital, hopes are now fading that such bold action could be expected from a mission that has avoided confrontation with the Serbs since it arrived in Bosnia in May

■ UN Moves Artillery Toward Capital The United Nations peacekeeping force

in Bosnia moved heavy artillery within range of Sarajevo on Thursday for the first time, apparently signaling a readiness to respond to aggression with considerable force, Roger Cohen of The New York Times reported from Sarajevo.

The French Army dropped the artillery reinforcements by helicopter onto Mount Igman, where the one government-controlled road out of Sarajevo has come under persistent Serbian fire.

The reinforcements consisted of a 60man platoon and six heavy mortars with a range of about 7 kilometers (4 miles).

The 120mm mortars were flown from the French aircraft carrier Foch in the Adriatic. French UN officials said a shell was fired at the drop area on Mount Igman during the operation but caused no damage or casualties. It was unclear where it

had been fired from.

In Paris, General Raymond Germanos, the deputy chief of staff of the French armed forces, said the mortars would give French peacekeepers at a UN base on the mountain "the capacity to defend them-

The narrow and treacherous road over Mount Igman has assumed considerable importance for the United Nations over the past two weeks because the Serbs have blocked all the roads normally used to resupply the capital.

Lieutenant General Rupert Smith, the British commander of UN forces here, has drafted a plan to secure the Mount Igman road through the use of force if necessary. But UN officials in Zagreb, Croatia, and in New York are reluctant to back a plan that would almost certainly involve a direct fight with the Serbs. Jacques Chirac, the French president.

has made it clear that he now expects French peacekeepers — the largest contin-On Wednesday morning, five trucks rolled into the city before dawn carrying 50 remed or attacked.

# Captain O'Grady's father and sister celebrating in Alexandria, Virginia, on Thursday.

### For Pilot's Family, Pure Joy

An Early-Morning Phone Call Ends a Week of Waiting

The Associated Press

ALEXANDRIA, Virginia — Air Force Captain Scott F. O'Grady survived for six days after his F-16 was shot down by Serbs in Bosnia by relying on his training and by thinking about home, his family said Thurs-

The 29-year-old pilot hid out and slept by day and moved at night, living on a small supply of survival rations and sparingly acti-

vating a radio transmitter.

"He knew people were looking for him," said his sister, Stacey, 26, who finally spoke to her brother by telephone between 3 A.M. and A.M. on Thursday.

"He said he was thinking about us and that helped him get through," said Captain O'Grady's brother, Paul, 25. "If he made it out of the plane, I wasn't

worried about his survival or not," he added. 'He's been well trained. He's told me about these survival things. I knew he'd be O.K." The siblings went to the home of their

father, Dr. William O'Grady, in Alexandria, immediately after hearing that their brother had been shot down last Friday, and they remained there throughout the week, waiting Stacey flew in from Chicago, where she is a

teacher; Paul drove from Chapel Hill, North Carolina, where he has a summer job before

beginning dental school in the fall.

The family stayed in telephone contact with Captain O'Grady's mother, who lives in

"We had a lot of ups and downs" as the week went on, said Captain O'Grady's father, a physician. "We knew he was hit by a missile, but at first we really didn't know he had ejected. There was no evidence of life."

Later, news media reports indicated a parabeing received.

"That sounded good, but there was nothing definite," Dr. O'Grady said, adding that the military "may have known more than they could tell us."

Then, at 12:48 A.M. on Thursday, the phone rang, and on the other end of the line was Scott O'Grady's squadron commander. "He was the first person to tell us they'd contacted Scott by radio and that they were going in to get him," Dr. O'Grady said.

A short time later — perhaps 20 minutes — an air force general called to say that Captain O'Grady had been brought out by helicopter. Around 3 A.M. or 4 A.M., the family finally talked to Scott himself.

The siblings reminisced and joked about old times.

"I told him that I had his worn, torn teddy bear from upstairs," his sister said. "I slept with it last night, and I told him I had." "He was overwhelmed by the fact that so many people were fussing over him," she

Stacey said she had been born on Scott's

"I took the limelight away from him, and now he's getting it back," she said. "He can Captain O'Grady suffered little more than

a slight burn on his neck, some hunger panes and dehydration, she said.

President Bill Clinton called Captain

O'Grady's family after the rescue.
"Captain O'Grady's bravery and skill are

an inspiration," Mr. Clinton said in a statement. "So are the bravery and skill of those who took part in the operation to rescue him. They are all American heroes."

Paul O'Grady praised his brother's rescu-

ers.
"I want to thank the armed forces, just can't thank them enough."

#### Neither aircraft was hit, and where he had to be to get picked 'Reuters, AP, WP) told CNN from the United a Marine gunner replied from up."

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ejected.
"He's real happy to be aboard a U.S. ship and I think he's doing real well," said the anyone we don't know." Jovan Zametica, an adviser doctor, Lieutenant Commander dovan Karadzic, said of the res-He said Captain O'Grady cue: "We understood it was a humanitarian mission and orhad survived on insects and

arms fire from the ground.

rainwater after supplies from The Marine colonel who led the rescue team, Martin Berndt, are delighted that the pilot is The manual contains "little POLICY: water with his pistol in his hand

making his way to the aircraft is alive." not a scene that I'll soon for-Admiral Smith quoted Colonel Berndt as saying he saw a TO's southern command said, surface-to-air missile as the resspokesman. But "he staved B moved from where he was to

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Continued from Page 1 one of the helicopters to small "He was able to silence those

guns," Admiral Smith said. and recognized the voice imme-Whether or not he did harm to to the Bosnian Serb leader, Ra- cater beacon, which transmits a where he had been hiding.

ders went out not to interfere yet to be confirmed. with the mission." Making no mention of the Marines' statements that at as matches to start a fire for tin Berndt, who led the rescue least one missile was fired and "To see him running through Serb gunners shot at the rescuthe brush covered in sweat and ers. Mr. Zametica added: "We vival tips.

survival kit also contains a lo- emerged from a wooded area tone allowing searchers to pinpoint the location, but whether the brush covered in sweat and

warmth and cooking, a portable mission.

things you sometimes forget "There were a lot of people who had written this guy off," said Captain Jim Mitchell, NA-parachute," Sergeant Goolsby

But some details have three months and cost \$2 bilcue team took off with Captain cool, he stayed hidden and he emerged of his six solitary days. His sister Stacy, who spoke to

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States that her brother said he rines to come in and rescue him. had moved around only at night The pilot "heard Scott come up to evade capture.

And when rescued by U.S. diately." Admiral Smith said. Marines who had flown in heli-Sergeant Goolsby said the copters from the Kearsarge, he

"To see him running through Captain O'Grady used it had water with his pistol in his hand making his way to the aircraft is Besides the electronic gear, not a scene that I'll soon forthe kit also includes such items get," said Marine Colonel Mar-

NATO Vow to UN Continued from Page 1

The reaction force will in-Captain O'Grady by telephone. clude a British air mobile brigade, which defense analysts say would be crucial if the force is transformed into the vanguard of a rescue mission. One of the first tasks that it will supervise is a repositioning of the UN peacekeepers, which

would offer them greater protection from Serbian attacks and allow an "emergency extraction" to take place more quickly than if they were scattered around the country. The United States will be

counted upon to supply much

of the close air support from its bases in Italy and from aircraft carriers cruising in the Adriatic. Mr. Perry said the U.S. offshore forces were prepared to carry out daring rescue missions of trapped UN peace-keepers of the kind that sal-vaged Captain Scott F. O'Grady Thursday morning nearly a week after the F-16 he

was piloting was shot down over northern Bosnia. NATO ministers said that while the reaction force was intended to use heavy weaponry to shield the peacekeepers if they came under attack, the primary mission was to avoid military clashes while serving as a deterrent to prevent the belligerents from harassing the aid

DIVORCE IN 1 DAY. No travel Wine 3ct 377 Sudbay, MA 01776 USA 7ct 502 443-887, Fab. 507 443-0188. "We are not going to wage war," said Britain's defense minister. Malcolm Rifkind. NATO military officials. however, warned that the ambiguity of the reaction force's mission could quickly lead to the kind of military showdowns with the Serbs that could provoke a decision to pull out by the French and British government, who have contributed the largest number of soldiers to the UN peacekeeping force.

"We have so many things in common," he said. "We can have more influence acting to-

Washington on June 14 for a cized Washington for its unwillingness to put troops into Bosnia alongside the European

ing that the roots of the conflict were "very complex and very difficult to resolve."

In trying to counter Bosnia's economies more closely.

Notwithstanding those communication impact on support for Europemon interests, Mr. Santer critian integration, Mr. Santer revealed the pragmatism that has become his hallmark, in contrast to the visionary drive of Bill Clinton, said the Union and contingents that make up the his predecessor. Jacques Dethe United States should focus bulk of UN peacekeeping lors. He said he saw his role as demonstrating a "personal

Continued from Page 1

other regions." As a result, rivalries between the major powers might intensify, encouraging arms proliferation and territorial disputes in the re-gion, he added.

During the Cold War, stability in Asia and the Pacific was based on equilibrium between the Soviet bloc and the non-Communist countries. Because feared Moscow more than Washington, China from the late 1960s was a de facto mem-

Asia, with China rising fast as an economic and military force. Abdullah Ahmad Badawi, Malaysia's foreign minister. said that with the end of the Cold War "the dynamics which worked to keep bilateral and

Italy to Prosecute Media Executive

MILAN — The chairman of dele Confalonieri, who denies Silvio Berlusconi's Fininvest, at the center of politically charged referendums on television ownership, confirmed Thursday that he was to be tried on charges of illegally financing political parties.

#### intentions but do not want to Beijing Vacancy see Japan end its security alli-ance with United States and become an independent military

counterweight to China "Asia without America would be a highly uncertain and dangerous place in which rival-ry between China and Japan might be unleashed." said Paul Dibb, head of the Strategic and Defense Studies Countries Defense Studies Center at the Australian National University

in Canberra. Shanmugar Jayakumar, Singapore's foreign minister, said recently that a new Asia-Pacific order would be built around the between the United States, Japan and China.

War enemy, he said, adjustments in relations between the three major powers were occurring without the benefit of a President Jiang Zemin or withclear shared strategic vision or drawal of American support for

These changes, he said, were being made when no single nation could any longer dictate outcomes on the basis of superi-

"It is not clear how the new strategic triangle will evolve uninteraction could all too easily deteriorate into severe antago-

Continued from Page 1 potential to destabilize Asia over the Taiwan question,

Western diplomats say. Mr. Roy has pointed out to visitors that even as Taiwan was spending millions of dollars in a targeted diplomatic campaign to win Mr. Lee a visa to the United States, Chinese leaders remained aloof to the changing political dynamic.

After the visa decision. Chinese officials have asked American visitors whether Mr. Clintriangular structure of relations ton would be willing to make amends for the damage he has done to relations with China by But without a common Cold some new diplomatic initiative. The ideas floated included: a White House invitation for a state visit to Washington by threat perception to focus issues and help contain economic and political stresses."

drawal of American support for the annual resolution in the United Nations condemning China's human rights record. China's human rights record.

ideas, one American visitor said, was a suggestion that the or power or strategic necessity. to Chinese leaders asking whether they were ready makes; real progress on improving their human rights record by releas-ing Wei Jingsheng, Ren Wanding and Bao Tong, all promi-nent political prisoners, and to nisms that could very well ne-nese prisons to visits by the Inresume discussions to open Chigate the promise of Asia-Pacific ternational Committee of the

#### SANTER: EU Leader Fears War Is Sapping Cohesion World by having meetings of He also rebutted domestic cabinet ministers more fre- critics of European policy, sayrealistic in the short term." The U.S. secretary of state, Warren

M. Christopher, cited free trade as a possibility last week in calling for a major initiative to tie the European and American

meeting with President Jacques Chirac of France and President instead on coordinating eco- forces there.

nomic and political initiatives toward Eastern Europe, the Bosnia," he said. "That is a Middle East and the Third problem."

demonstrating a "personal commitment" to the concerns European citizens have about

REGION: Asian Stability Shaken ENVOY:

ber of the U.S.-led group. With American power in relative decline. Japan is now the dominant economic player in

other rivalries in check in the past are no longer operative" in the Asia-Pacific region.

Many Asian countries are worried about China's future

The Fininvest chairman, Feany wrongdoing, issued a statement confirming reports in newspapers that he would be tried over allegedly illegal contributions made in 1989 and

der these unique circum-stances," he said. "The normal stresses and strains of economic

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Mr. Roy's response to these

A HONOLOGICA REPORTATION OF THE PROPERTY OF TH

UNITED NATIONS, New York - While world attention has been on strengthening the UN force in Bosnia, quiet talks have been going on with Rwanda, which wants its peacekeep- ficulties who knows what it ers - or many of them - to

A year after a genocidal rampage left as many as a million dead, and with the perpetrators tural development expert. has been for debts. threatening a comeback, the Se-

By Barry James

The new executive director of the United

Nations Children's Fund said Thursday that governments are cutting back on foreign de-

velopment aid at a time when the means for

saving the lives of millions of children have

never been so cheap or so readily available. In an interview, the director, Carol Bella-

my, gave as an example that it costs only

about four cents a year to provide a child with

enough Vitamin A to prevent a form of blind-

broad terms and we don't bring it down to

specifics," said Mrs. Bellamy, who was ap-

are spending about half a billion dollars an-

Very often we talk about

development in broad terms

nually to keep their regions clean of polio.

Yet, if we spent \$130 million a year for five

more years, we could wipe out polio entirely.

Mrs. Bellamy spoke from Berlin, where she was presenting Unicel's annual "Progress of

Nations" report in a country that is one of the

Afterward, she was to fly to Nairobi, where

it was reported last month that the fund lost

as much as \$10 million to serious fraud and

Eight staff members have been dismissed

and 16 been suspended in the worst scandal in

the agency's history. Other employees are

That connection is not always made."

fund's most important donors.

mismanagement in two years.

under investigation.

Jen Deva

and we don't bring it down

Carol Bellamy, Unicef director

'Very often we talk about development in

The United States and Western Europe

ness prevalent in the developing world.

pointed two months ago.

to specifics.'

more than 2,500 troops and military observers to stay on to provide security.

For Rwanda, that is the

Rwanda Calls for Development Aid

wrong kind of help. "Here for once we have a small African country with dif-

wants and what it needs to do." United Nations and an agricul-"Give us a chance to help our-

Appeal for World's Children

Unicef's New Director Laments Cuts by Donor Countries

huge development coros.

any more military."

James Gustave Speth, administrator of the UN Development Program, assembled \$634 said Manzi Bakuramutsa, million in pledges for Rwanda's Rwanda's representative at the economic recovery. Of the \$69 million disbursed, \$29 million

She said there were many loyal and capable

employees in the Nairobi office, and that her

task now was primarily to lift morale in the

regional headquarters, which is responsible

for relief operations in neighboring Sudan

happened, and will not happen again," she said. "I do not think it was symptomatic."

Peace Corps, has promised to make manage-

ment changes a priority, and said that she was

concerned about the low level of morale at the

This, she added, was a result of major

changes in the organization and personnel

policies "that are perceived not to have been

as clear or fair or thoughtful as they have

She said she learned from a term as presi

dent of the New York City Council that

"morale is a very important component in

Mrs. Bellamy said that the problems, how-

ever, should not detract from the fund's mis-

sion of saving children, and that cuts by donors were short-sighted.

Cheap, well-understood and readily avail-

able items such as vitamins, vaccines for the

most common childhood diseases and oral

rehydration kits make it possible to save a

relatively minor investment; \$13 is all it takes

to protect a child in the developing world against the six biggest childhood killers, and

that includes money for vehicles, staff and

Development aid is "good politics and good economics," she said, warning that fail-

ing to make the right investments now could

produce crises like those in Rwanda or Soma-

That means, she said, that the industrial-

ized world will eventually have "to pay more

'substantial" number of lives every year for a

being able to do good management."

should have been."

training, she said.

and get less in return."

"This is something that should not have

Mrs. Bellamy, the former head of the U.S.

"It's cheaper in the long run

curity Council has been trying selves." What Rwanda needs, to support reconstruction and to persuade Rwanda to allow he said is an army of civilians, a reconciliation than to sustain refugee camps," he said. The We need the doctors, the world has a pattern, he said, of judges, the lawyers, the people opening "hearts and pocket-who can help us lift the coun-books" in a crisis but is slow to try," he said. "We don't need recognize the need for development, "when things sort of move off the front pages."

Rwanda's development needs will be reassessed at a meeting in Kigali in July. One of his projects is assembling 50 specialists to help set up a court

The United Nations faces a Friday deadline on the Rwanda question, one that is important to the future of international missions in small nations that tumble into catastrophe. There are now 5,586 troops, 317 military observers and 64 civilian police officers in Rwanda. Secretary-General Boutros Boutros Ghali is suggesting 2,330 troops, 320 observers and 65 police officers.

Despite the threat of renewed war, Rwanda says that it does not need a large UN force for security. It wanted only about 500 troops to remain, but was persuaded to raise that number to 1,800. Rwanda agreed to accept a six-month extension of the force, but asked that the extension be final.

The Rwanda government, dominated by members of the minority Tutsi community but with a Hutu president and prime minister, took office last July after a Tutsi military force, the Rwanda Patriotic Front, took power. The takeover halt-ed months of bloodshed that began in April 1994, after the country's president, Major General Juvenal Habyarimana, was killed in a suspicious plane crash and his Hutu supporters unleashed a campaign of terror

and death against the Tutsi.

As the Patriotic Front came to power, Hutu began fleeing the country, leaving the capital and many towns in ruins. The country's central bank was penniless and government offices had no chairs or windows.

Hostility against the United Nations, which withdrew a force last year as the genocide was beginning, runs high. Mr. Bakuramutsa was bitter

about UN claims that peacekeepers were in Rwanda to help in "confidence-building." "It is up to the Rwanda gov-

ernment and people to build confidence between themselves," Mr. Bakuramutsa said. "It is not an intermediary who can do that on our behalf.



Shimon Peres, right, greeting Mr. Christopher on his arrival in Israel Thursday for a new round of peace discussions.

### Christopher Hails a New Era in Mideast

JERUSALEM - In an atmosphere of unusual optimism, the U.S. secretary of state, Warren M. Christopher, opened a new round of Middle East peace discussions Thursday and declared that "the cycle of war and terror" was ending.

He was greeted on his arrival in Israel by Foreign Minister Shimon Peres, who sounded equally upbeat, saying that schedout hope for "a complete peace in the Middle East." uled security discussions with Syria held

Mr. Christopher also announced that Prime Minister Yitzhak Rabin would join him in Cairo on Friday for a meeting with President Hosni Mubarak.

Egypt was the first Arab country to make peace with Israel, in 1979. Relations have remained cool, although U.S. officials have praised Mr. Mubarak for his role in supporting the peace process.

Mr. Peres said Israel and Egypt were

entering a new phase in their relations. "The arguments are over," he said Egypt's foreign minister, Amr Moussa, said Mr. Mubarak would express "the Palestinian viewpoint" at Friday's meeting.

"Israeli-Egyptian relations will also be discussed, including the nuclear issue, which cannot be ignored," Mr. Moussa Egypt has been pressing Israel to allow

international inspections of installations assumed to be part of a nuclear weapons

Before his arrival, Mr. Christopher said that Israelis, Palestinians and Syrians

be in a problem-solving mode."
But he warned that approaching elec-tions in Israel and the United States made

it essential to pick up the pace.

He called this "a moment of real momentum in the peace process.'

But he added: "It's essential for the parties to accelerate the pace if they're going to achieve sufficient progress before the elections have an overlang on it." En route to Israel, Mr. Christopher said

he hoped the Cairo meeting would help case tensions between Israel and Egypt. Egypt led an unsuccessful move to block indefinite extension of the Nuclear Nonproliferation Treaty unless Israel agreed to become a party and disclose its nuclear weapons program.

### Israel Hit by Blackout, Snarling Businesses and Traffic

JERUSALEM — A power failure struck most of Israel on Thursday, causing major traffic jams and shutting down busines The failure, which began at 1:55 P.M.,

affected nearly the entire country, including Jerusalem, Tel Aviv and the Palestinian self-rule areas of Jericho and the Gaza Strip. Power was restored to most places

Ben Gurion International Airport's con-

trol tower and other systems were operating on emergency generators, and an airport spokeswoman said there were no

Israel's energy minister, Gonen Segev, told Israel Radio that the power failure occurred after two high tension wires short circuited, but the cause of the short circuit

Nonfunctioning traffic signals caused

drivers emptied water bottles on the boods of their cars to keep them from overheating. The failure closed Tel Aviv's stock exchange, and the police were flooded with

reports of people stuck in elevators. Backup generators kept intensive care units operating at Jerusalem's Hadassah Hospital, said a spokesman, Yossi Shoval, but other areas of the hospital were without air-conditioning in the 30-degree Celmajor traffic tie-ups in Tel Aviv, where sius (86 degrees Fahrenheit) heat.

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### Infrastructure Iguaçu, Brazil

November 27th and 28th 1995

An invitation to meet business, finance and government leaders from Argentina, Brazil, Paraguay and Uruguay to discuss the wide array of ambitious infrastructure projects

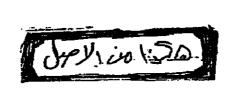
The International Herald Tribune, in co-operation with the Inter-American Development Bank and the Institute for European-Latin American Relations, is convening a timely conference on "Mercosur: Investing in Infrastructure." The conference will take place in Iguaçu, Brazil, on November 27-28, 1995 and will offer an exceptional forum for foreign investors wishing to profit from Mercosur's vast potential.

This major international gathering will focus on the extensive business opportunities for foreign investors, especially those offered by the wide range of ambitious infrastructure projects throughout Argentina, Brazil, Paraguay and Uruguay.





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### **Contortions From Japan**

Fifty years after the end of World War rants more than vague regret. Only a tiny II, Japan can still twist itself into contortions over whether to apologize for its conduct in the war. The latest debate has yielded a feeble parliamentary resolution acknowledging Japanese aggression and colonialism, but only in the context of other countries' offenses.

Remorse or reflection about Japan's behavior is offered, depending on the translation, but no apology. While the whole exercise may seem irrelevant, Japan's tortured reckoning with history is part of a larger internal debate over its role in the world today. Until Japan comes to terms with the destructive role it played in Asia's past, it cannot play the constructive role it should in Asia's future.

The historical issue is not colonialism, in which Japan had plenty of company. Nor is it military aggression alone. Imperial Japanese forces massacred millions of Chinese, conducted medical exper-iments on civilians and forced thousands of Korean and other women into sexual servitude to Japanese troops. This war-

percentage of the present populations of China, Korea and the colonized nations of Southeast Asia directly experienced Japanese atrocities. But Tokyo's refusal to apologize has fostered a potentially dangerous psychological breach between Japan and Asian neighbors.

Japan is Asia's richest, most techni-

cally advanced power. But it has played only a timid role in building the region's new trade and security systems. By contrast, Germany has played a major role in promoting European unity after accepting full responsibility for its past.

During the Cold War, Japan was able

to downplay relations with Asia and follow the foreign and security policy lead of the United States. That era is now over. With Tokyo and Washington growing apart over economics and China developing its military strength, Japan must play a more forthright role in the region. It can start by squarely facing up to its record in World War II.

-THE NEW YORK TIMES.

PARIS — Japan's fragile coalition government has been saved by a deliberately ambiguous compromise on a parliamentary vote about the country's role in World War II. It only shows how deeply and emotionally divided the country, which takes such pride in consensus and homogeneity, remains 50 years later.

There are profound differences in the way Japan and Germany have treated the history of the war. And they have a heavy weight on relations with former victims now and on contemporary politics.

In Japan, it is a contorted issue that underlies the dilemma of the role Japan should now seek in the world, and part of the strains in dealing with the United States, China, Korea and others. It has a habit of feeling victimized.

The new resolution settles nothing. The key paragraph says. "Recalling many colonial rules and acts of aggression in the modern history of the world, we recognize and express deep remorse for those acts our country carried out in the past and unbearable pains inflicted on people abroad, particularly those people of Asia.

The word "apology" was unacceptable. No mention of Pearl Harbor, Nanking, etc. There are still many Japanese who fervently insist that Japan was not an ag-gressor but was seeking to liberate other Asian countries from Western colonialism, and was forced into war with the United States by Washington's efforts to cut off its By Flora Lewis

oil supplies. They admit shame for losing the war, but not guilt for launching it.
In a recent conference in Tokyo of the InterAction Council, a group of former heads of government who address world problems, Helmut Schmidt, the former German chancellor, put the question blunt-

ly and, typically for him, pragmatically. Speaking "as a German to my Japanese friends and hosts." he said that the two world wars were "caused by insane ide-ologies, by imperialistic dreams aimed at complete subjugation of other nations and by malignant indoctrination. Both Germany and Japan did become hated oc-cupants ... The price of hubris was defeat and humiliation.

He named harsh specifics, and urged the Parliament to make a clear statement that "present generation deplores [the crimes] of the former generation." It would bring two important gains for Japan, Mr. Schmidt said: winning trust in East and Southeast Asia and removing the "heaviest

southeast Asia and removing the "neaviest impediment to foreign operations and leadership in many fields." He added, "You won't get leadership if you avoid it."

The audience, which included two former Japanese prime ministers, was sunned. Later, one of them. Keichi Miyazawa, said meekly: "We were aware. It's good advice." But it was not taken.

The reasons stem from the whole structure of postwar Japan, its assumptions, its elites, and its politics. Professor Chihiro Hosoya recalled in an interview the statement by President Richard von Weizsäcker of Germany on the 40th anniversary of the end of World War II, that "those who are blind to the past cannot see the future. "We don't have such a statesman," he

said. "Our politicians just serve as a bridge between government and voters. They do things for local people.

Others note that there has not been a real change in the system of rule, except to

There are still too many Japanese who admit shame for losing the war, but not guilt for having launched it.

contain the military. The same elites continued; the same manipulations of power.

The decision to maintain Emperor Hirohito until he died was central. Since he was considered divine, the source of all Japan's life, to admit national guilt would mean to call him guilty. And the fact that the Allies absolved him meant that the nation was absolved. As Ian Buruma says

in his lucid book "The Wages of Guilt," emperor-worship established a "system of irresponsibilities" that remains intact This is a tremendous historical irony,

since maintaining the emperor has always been acclaimed a wise American decision that made possible Japan's smooth postwar transition.

From the day Hirohito announced sur-render, there was not a single act of resistance, not one attack on the American occupation, although as the Nobel laureate Kenzaburo Oe recalls in an article about his astonishment on 'The Day the Emperor Spoke in a Human Voice,' the whole country, including children, had been prepared to fight, even with bamboo spears, until it was annihilated. Some historians claim that the A-bomb

wasn't necessary to preclude invasion and that Japan would have surrendered before it was dropped if only the retention of the Emperor had been promised beforehand. The argument rages. One Japanese bureaucrat told me that

Hiroshima was a cold-blooded "warriorcivilian trade" to save the lives of American soldiers at the cost of Japanese women

and children.

Professor Hosoya said, "We must pray on Pearl Harbor Day and Americans on Hiroshima Day." The legacy of war lasts longer than a lifetime. Japan must face it. We are all burdened.

### A Veto and Plenty of Hype

President Bill Clinton cast his first veto on Wednesday, swarting aside a \$16.4 billion "rescission" bill that would have made some new appropriations while canceling others, including a relatively minor amount for education, midway through the fiscal year. The veto, suitably accompanied by a speech in the Rose Garden at what the White House called a "drugfree schools recognition event," was less important than it was made to sound. So, too, was the underlying bill. Somewhere out there is written the rule that the less important the issue, the greater the noise and the longer the presidential speech. This was the latest example.

The vetoed measure had two purposes. One was to find money to offset the cost of \$6.7 billion in disaster aid, mainly for California, some spending in response to the April 19 bombing of the federal office building in Oklahoma City and \$275 million in debt relief for Jordan. The other was to serve as a symbol of, and a down payment on, the coming Republican effort to balance the budget.

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The president said he, as much as anyone, was in favor of reducing the deficit and had decided to veto the bill only because of the mix of items in it. He complained that it proposed a cut in "safe and drug-free schools money" while protecting various public works projects, which he called pork. "I cannot in good conscience sign a bill that cuts education to save pet congressional projects," he said.

The House speaker. Newt Gingrich, responded: "If he wants to run for reelection, he ought to run in favor of a

balanced budget." In fact, these rescissions weren't going to solve America's fiscal problem, not close, and the drug-free schools money is not going to solve the school drug problem, either. The spending cuts would have helped a little. There were other objectionable provisions in the bill, including a rider the president mentioned to suspend environmental laws the next two years in order to increase the timber harvest from federal forests.

The problem was not the merits. on either side, so much as it was the hype. The president rightly accused some critics of government spending of setting up a false choice between asking people to help themselves and using government programs to help them. Often it is not either/or, but both that are called for, he said, "so this is, one more time, a phony, overly politicized debate here." He could have said that about the whole event. including his own dramatizing of it.

**An Ethical Test for Dole** 

Other Comment

International Herald Tribune

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The new Republican majority in Congress has shown little interest in disturbing Washington's cozy and corruptive culture, especially the link between mon-ey and politics. A chance for the Republican Party to redeem itself will arise shortly in the form of a bill that would put a stop to the meals, resort vacations and other gifts that lobbyists and other special interests bestow on lawmakers to gain

legislative advantage on Capitol Hill. A bipartisan group of senators plans to offer a measure that would ban such gifts and establish a new registration system requiring lobbyists to disclose their clients, their fees and their legislative issues. The Senate majority leader, Bob Dole, and most Senate Republicans supported a similar bill last year. But in the final hours of the last Congress, Mr. Dole joined with Newt Gingrich, then the House Republican whip, to kill the reform, thereby denying the Democrats something to boast about on the cam-

paign trail. Whether Mr. Dole will now switch back to a reform mode as he embarks on his presidential run is unclear. Unfortunately, he has a handy alternative: a competing proposal that masquerades as

**Another Besieged City** 

As Europeans and others watch the de-

struction of Sarajevo, a city virtually unscathed from 1939 to 1945, they should

remember 1936 to 1939 and another be-

sieged city, Madrid. British, French and U.S. "nonintervention" decisions effec-tively embargoed arms to both sides in

Spain — the forces loval to the republican

government, and Franco's insurgents. This

may have made formalistic sense because

the conflict was a civil war, which today's

war of Serbian aggression against Bosnia

is not. And soon the loyalist side was so

stained by Stalinism as to make a choice

The Spanish cockpit was the scene of

between the two sides unpalatable.

"reform" even though it would perpetuate the old system.

Its sponsor is Senator Mitch Mc-Connell, Republican of Kentucky, who tried unsuccessfully last month to kill the nation's public financing system for presidential elections. Mr. McConnell is likely to try to substitute his phony ban for the real thing. That would set ut that will say much about Mr. Dole and his Republican allies.

The public could use some reassurance on the matter of congressional ethics. The Republican leadership, much like the old House Democratic leadership, seems quite content with the status quo. Instead of challenging the Washington money game, the Republicans are scurrying to rake in record sums from special interests. They have allowed some of those same interests to play an intimate and influential role in the drafting of important legislation.

Ignoring ethical questions is, however, risky politics. The Republicans owe their present ascendancy in part to the Democrats' shameful failure to change the rules of engagement between money and politics. The Republicans may have forgotten that. The public has not.

two rehearsals: of the arms and military

tactics of the dictators, and of the democ-

racies' impotent reliance on diplomacy to

defang the dictators. What happened there

did not matter only there, and what hap-

pens in the Balkans will matter elsewhere

for example at NATO headquarters.

which might soon be boarded up if NATO

has no relevance to genocidal aggression in Europe. When the U.S. president does not

lead, NATO does not act. It is not too late to

remove the UN forces. lift the embargo on

Bosnia's means of exercising its right of self-defense, and convince Serbia that con-

tinued complicity in the genocide being committed by Bosnian Serbs will be had

for its bridges, and more.

- George F Will, in The Washington Post,

-THE NEW YORK TIMES.

### Two Noncandidates, by the Book

By Frank Rich

→ HICAGO — The American Booksellers Association convention is supposedly a literary trade fair, but no one here was debating the merits of "The Unconsoled," Kazuo Ishiguro's first novel since "The Remains of the Day."

In this great city for both politics and art. politics won out, as the two most prominent fantasy candidates for U.S. president, Colin Powell and Newt Gingrich, opened their unofficial, undeclared campaigns for higher office by promoting their hardcover wares.

None, of course, dared call it "campaigning." Mr. Powell and Mr. Gingrich were initiating 'book tours' -- tours that will allow them to barnstorm the country for months, dominating local news. Here, amid the ghosts of an actual Chicago political convention, hecklers tried to drown out Mr. Gingrich's address to booksellers. It turned out to be the speaker's finest hour. A poised Newt Gingrich passionately and articulately defended his and the protesters' right to free speech. earning a semi-standing ovation.

But if there was a winner in this contest between noncandidates, it was Mr. Powell. His book, "My American Journey. will have a larger first printing than Mr. Gingrich's "To Renew America," and Mr. Powell, with the help of co-speaker Hillary Rodham Clinton, drew twice the audience Mr. Gingrich did. And Mr. Powell's words proved memorable. He won rousing applause when he talked about how the country "cannot lose that spirit of compassion" manifested in "taking care of those citizens most in need."

Mr. Powell is said to be an economic and foreign-policy conservative, though not so conservative as to support Oliver North's Senate race. He has called parts of the Contract With America as "a little too hard, a little too harsh, a little too unkind." and himself as "a New Deal kid." His positions do not fit with either party's orthodoxy, but who isn't looking for a true independent?

Mr. Powell deflected all questions about his political ambitions with a disarming laugh. The biggest surprise in writing his book, he said, was the amount of time he devoted to race. Recalling that he never lost hope as a boy in the South Bronx, he has no illusions that such hope exists in inner cities now. And as much as he endorsed "free-enterprise capitalism," he didn't seem to think it alone could save those being left behind. "I have something of a social conscience that puts me to the left of center," he said.

While Mr. Powell speaks of compassion for others, Mr. Gingrich talks mostly about himself. In a dinner speech, he mixed partisan digs with boasts of the number of House votes he has won since January (299) and the number of news organizations (131) covering his mischievous "nonpolitical" trip to New Hampshire.

Contrast, too, Mr. Gingrich's scolding - "If we don't turn this country around, it's going to collapse" — with this vision from Mr. Powell: "We live in a great country — with all its problems, with all its challenges ... We live in a historic time of change and reconciliation, an exciting time to be alive, to be American."

On which book tour would you make book?

### Of German-Israeli Ties MUNICH — Chancellor Hel-mut Kohl's visit to Israel this week went well, particularly THIS IS NOT GOING TO BE PRETTY

### considering its delicacy. But conflict and crisis threaten

The Perplexing State

By Michael Wolffsohn

to sour relations between Germany and Israel. This unhappy prospect looms not because of, but despite, the policies of the German government, which, in this year of historical amniversaries, maintains a closer relationship than ever with its counterpart in Israel.

Just after the commemorations of the 50th anniversary of the end of World War II came the 30th anniversary of German-Israeli diplomatic relations.

On the government level, the balance of relations is overwhelmingly positive. Here, there is one important strategic problem: German cooperation with Iran, which not only supports Islamic terror but appears determined to join the ranks of the nuclear powers — and which is a recipient of German economic

On the social level, however, the state of German-Israeli relations is troubling. While Israelis today entertain a more positive image of Germany than ever, the Germans have long ranked Israel

While anti-Semitism has receded in Germany, the level of anti-Israelism is considerable. Polls show comparably low popularity ratings only for Poland destination of the German chancellor's next state visit - and

Russia These, of course, are the two nations which, together with the Jewish people, suffered most cruelly at the hands of the German National-Socialists.

The survey data do not bode well for the future of Germany's relations with its eastern neigh-

There are explanations. Many will argue that Israel's policy toward the Palestinians — at least from 1977 to 1982 - was morally questionable. Regardless, Israel has under-

gone dramatic and fundamental

changes. In 1992, Israeli voters chose a coalition committed to the peace process, and the Rabin-Peres government has assumed considerable risks to further the cause of peace. All this, however, has made little impression on the German people. Should a more hawkish government come to power in Jerusalem with the next elections, Israel's popularity in Germany is likely to sink further. And should a "dovish" coalition of Social-Democrats and Greens

Few Germans today display historical and political sensitivity to the unique character of the Jewish state. For more than half of all

then take over in Germany, crises

on the government level are to

Germans, Israel is a state "just like any other." Some former subjects of the East German regime, despite and not because of the policies of that

nation, have proven themselves more sensitively attuned to Israel. While Anti-Semitism has receded in Germany, the level

of anti-Israelism is disturbingly high. "Zionism is racism" is the notion

that the East German regime unceasingly sought to inculcate in its citizens. Immediately after reunification, 33 percent of Eastern Germans said they believed it. Meanwhile, despite attempts by their government to steer pub-

lic opinion in the opposite direction, 33 percent of the Western uso agreed with the phrase. Does this demonstrate the futility of policy or the impotency of policy-makers?

February 1993 found that an incredible 22 percent of the West Germans and 19 percent of East

percent of the West Germans and 34 percent of the Easterners believe that Israel exercised "a great deal of hidden influence in the world," pointing to widespread belief in the legend of

affiliation, nearly half of German voters shared this old prejudice. The polls show where the real work in improving German-Israeli relations needs to begin. The discrepancy between governmen-

relations with the United States, where the great majority of politicians but also ordinary citizens count Israel as an area of vital American interest.

Mr. Wolffsohn is author of "Eternal Guilt? Forty Years of German-Jewish-Israeli German-Jewish-Israeli Rela-tions," He contributed this comment to the International Herald Tribune.

### All You Need to Know About 1996

WaSHINGTON — Here is all you need to know right now about the jockeying for position in the 1996 presidential election -- 10 reasons a conscientious American can safely ignore the hints, pleas, evasions and outright lies broadcast by a dozen or so men who would do just about anything to get into or stay in the White House:

1. If Ross Perot runs for president as an independent egomaniac, President Bill Clinton will be re-elected.

2. If Jesse Jackson runs as an independent egomaniac, President Clinton will be defeated. If Patrick Buchanan runs as

an independent zealor. President Clinton will be re-elected. 4. If the economy is good in the fall of 1996 - not in significant recession - and no Americans are being shot at any-

where in the world, President

Clinton will very probably be re-

elected. 5. If the economy is bad in the summer and fall next year, PresBy Richard Reeves

ident Clinton will be defeated. 6. If Bob Dole is the Republican nominee, he has a 50-50 chance of winning. But he is too noticeably lean and hungry for a man of his age (71) and political station. He could selfdestruct, as he has in the past

7. Newt Gingrich knows he should run - and he wants to. He is the press's candidate because he is the most exciting one in the field. But, in the end. he may not be willing to take the chance of giving up the power beyond his dreams that he has already won. He also may be too exciting by half. And he might make President Clinton the grown-up in the 1996 race.

the safer choice. 8. The odds against Colin Powell running for president are about 10-tc-1. But keeping that wispy dream alive is the best book promotion there is, (Mr. Powell for vice president is a better bet - if he is in fact

a Republican, which I doubt.)
9. Too many people are beginning to see Phil Gramm as some kind of nut (like Ross Perot) and he seems to be dropping into the second tier of Republican possibilities, all de-

10. President Clinton's first term as chief executive is over. Everything he says and does over the next year and a half will be part of his campaign.

pendent on the mistakes of

others and events beyond their

control.

All of that will almost certainly be the same at the end of this year. Looking forward, the 1996 cumpaign it is a dreary prospect. Looking back on 1996, however, could be fascinating and historic.

Four candidates? Five, Seven. Nine. If something like that happens, the politics and governing of America will change radically. The two-party system would be a thing of the past. Could happen. But not this year.

Let's talk again in January, Universal Press Syndicate.

#### 1895: No Invasion Yet

ST. PETERSBURG — The reports published, both by the Russian and foreign papers, of Japanese preparations for occupy-Only small garrisons remain at Seoul and a few other points, and

1920: A Good Smoke

LONDON - When the curtain rose on the first night of "Madame Sand" at the Duke of nights ago, some consternation more discrimination in the purchase of their own "smokes"

than in that of birthday presents

#### 1945: Security Council

agreement has been reached between Britain, America, Russia, China and France — the 'Big Five' at the United Nations Conference - on a formula permitting the proposed world security council to receive complaints on international disputes, Secretary of State Edward R. Sterninius jr., announced last night [June 7]. The agreement was a concession by the Russians who previously had insisted that the formula devised at the Crimean Conference be interpreted to permit the veto of any single great power preventing discussion of an international dispute. Basis for the agreement was said to have been laid in the conversation in Moscow between Harry Hopkins. President Truman's Personal representative, and Premier Stalin.

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An Allensbach survey in

Germans believed that "a curse" lay on the Jewish people. The same survey found that 44

an all-powerful world Jewish conspiracy. Independent of party

tal policy and public opinion needs careful study.
This is also vital to German

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

ing Corea are greatly exaggerated. even in these cases the Russian government will shortly request Japan to fix a date of evacuation.

York's theater in London a few was caused by the sight of Mrs. Patrick Campbell, in the title rôle, smoking a big cigar. An inves-tigation reveals the fact that London society women are generally taking to the cigar habit. A West End dealer says the ladies show

for their husbands.

SAN FRANCISCO - Full

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All of the same Service State State Public Par ella

#### OPINION/LETTERS

### Russian Security's Second Wind

MOSCOW — The name has been changed five times in the past five years. But the agency headquartered in suspicion of any sort of criminality What was the Lubyanka prison is still (even as President Bill Clinton

Ours, shrugs Alexander Mikhailov, requiring the licensing of computer press agent for what is this month encryption devices, providing KGB called the Federal Security Service. access to all data transmission. On his office wall is a picture of, and Communist Party.

Last time I was in this headquarters was in 1991, not long after a KGB up, its powers limited to counterspying, most of its personnel parceled we informed the leadership of the out to Mr. Yeltsin's Russian security, likely collapse of the ruble." the army and other bureaucracies.

getting a second wind.

new law that encourages warrantless. Ukraine, the Baltics and China. agents to enter anyone's dwelling on

of Russia and of the West as well?

movements are not going to tolerate.

Islamic fundamentalist opposition is.

whole of Central Asia.

border as if it were its own.

found it in its interests to support dictatorships.

contributed this comment to The Washington Post.

Stand on a Far-Off Border

By Sergo A. Mikovan

WASHINGTON — Why are Russian troops fighting on the Tajik-Afghan border? Are they attempting to reconstruct the Soviet empire, as the Western

press seems to believe? Or are they fighting to defend legitimate defensive interests

What Russia is fighting against is Islamic fundamentalism, signifying

extremism and expansion. If the latter prevail, it will not just be Russia that

Usually descriptions of the situation in Tajikistan cite fighting between "Comunists" and the "Islamic democratic opposition." The latter term is

absurd. Democracy implies freedom for all faiths and excludes priority of

While the regime in Tajikistan may not be democratic. America too has

The regime is not expansionist or threatening to other countries, while the

To give up this border means to let secular societies in Kazakhstan,

A couple of hundred miles north of the Kazakh-Russian border, deep inside

Is it acceptable, then, for Russian troops to bomb opposition armed camps

the Russian Federation, are the two big autonomous republics of Tatarstan

and Bashkiria. The "seeds of Islamic revolutions," professed by Tehran, and

the Afghani virus of Islamic extremism would be easily encouraged there.

in Afghanistan? Recall, if you will, Israeli actions in Lebanon. Or, even more

recent, the Turkish invasion of Iraq's Kurdish regions with an army 35,000

strong. In fact, the only sensible policy for Russia is to defend the Tajik-Afghan

The writer, a researcher at the Institute of Peace Studies, Russian

Academy of Sciences, is currently at the University of Maryland. He

Kyrgyzstan and Uzbekistan be swallowed up by fanatics. That is why

Tashkent, Bishkek and Alma-Ata ask Moscow to defend the border.

any one religion over others. This is exactly what "Islamic democratic"

By William Safire

known here and abroad as the KGB. sought and failed to get warrantless Changing names is a hobby of wiretaps). He also issued a decree

As a result, morale is said to be as a poem by, Yuri Andropov, who was high as that of the CIA is low. This KGB chief when the agency acted as despite the inability of the KGB to dread "sword and shield" of the set up a puppet regime in Chechnya. or later to anticipate the fury of the Chechen resistance to invasion.

Asked about this operational failchief led a coup against Mikhail Gor- ure, Mr. Mikhailov waves off that bachev and was in turn ousted and war as "the disarming of criminals." jailed by Boris Yeltsin. At that time He points instead to his agency's the Soviet agency was being broken success in economic intelligence: "One week before Black Tuesday,

Though the KGB has a gentle-Today, fans of political repression men's agreement with other secret will be glad to learn, the KGB is services not to identify the nationality of spies it captures, its counterspy Mr. Yeltsin proposed and signed a business has been lively with Turkey,

Do not underestimate the skill of

Russian security: The Ames debacle reminds us that even as the Soviet Union was losing the Cold War, the KGB was winning its battle with the CIA. Mr. Yeltsin respects that KGB power; he has been careful to keep state security dispersed.

Closest to him is the Presidential Security Service, a Praetorian guard of 4,000 run by Alexander Kor-zhakov, said to have "black brains" - anti-intellectual, moody, brutal.

The next circle is the Main Administration for the Protection of the Russian Federation, a force of 40,000 to protect — actually to watch - other Russian leaders, run by Mikhail Barsukov.

Then comes the KGB, whose budget authorizes a force of 76,000, many now authorized to work in other nations. Internal anti-corruption activities are directed mainly at Yeltsin opponents. Its boss, General Sergei Stepashin, is said by some Russians to have "a hat rack in his pants," which I presume is a reference to ambition or discomfort.

Furthest from Mr. Yeltsin, but a counterweight to the KGB, is Yevgeni Primakov's Foreign Intelligence Service, its numbers unknown to me. Mr. Primakov is still tight with Iraq's Saddam; after discovering Russia's Nuclear Ministry discussing centrifuge sales to Iran, he promptly shot that down, fearing Islamic penetration into Tajikistan and Uzbekistan. Mr. Primakov then leaked the centrifuse discussion, and the Foreign Ministry was able to dress up the turndown as a summit "concession" while the rest of the nuclear deal went on. The services overlap, and their

members have subtle interrelationships; Korzhakov loyalists permeate the other units, and vice versa. Old sparrows revisiting Moscow



LETTERS TO THE EDITOR

ed by taps and bugs, cut off from is predemocratic Russia is best tals more than 800,000. truthful communication, fearful of shown in the local media's gutsy in the early 1900s, the shown in the local media's gutsy meeting Russians lest they be arreporting of the menacing growth of rested. First-time visitors take for security forces. The KGB flack puts granted the way they can speak it in a nutshell: "They write what freely, watch CNN or buy a Herald they like and we do what we like."

### Wildlife Under Pressure, Predators Misunderstood

hunters. Our wild lands and animals books bragging about their exploits.

Today, our wildlife is under great pressure and our politicians spend enues excise shotgun or rod aloft to television cameras, cynically hunting for votes.

There are still real hunters in America, of course. The number of bunters has stabilized at about 7 percent of the population since 1937 (6.9 million then, 15.5 million

But these hunters are not seen clearly. The media increasingly resort to cartoon stereotypes of hunters, and

#### MEANWHILE

this hurts them. They are not meanspirited rednecks or drunken Bubbas, and they are tired of offinanded references to Bambi.

They live in a food chain that they understand clearly, and they husband their game.
In 1900, less than half a million

white-tailed deer remained in America. Today, the whitetail population

Newcoming Westerners have no go to people's homes, even visit could be counted. The elk popumemory of being constantly crowd- Lubyanka prison. The anomaly that lation in 10 Western states now to-

In the early 1900s, the wild turkey population was under 100,000 and

falling fast. At last count, there were more than 4.5 million. Less than 50 years ago, there were

only 12,000 pronghorn antelope left.

By Terry McDonell

NEW YORK — Not so long ago. Since then the population has in-we Americans were a nation of creased to more than a million. This is good news for everyone, appeared endless. Our presidents and sportsmen should be given credwere known as sportsmen and wrote it for a lot of it. They have certainly

Each day, through license revenues, excise taxes and other income brief moments in the field holding sources like Duck Stamps, American sportsmen contribute \$3 million to wildlife conservation efforts -more than \$1 billion a year.

Through some 10,000 private groups they give an additional \$300 million each year. Disappearing wildlife habitat is their issue, and effective game management is their goal. No wonder they bristle when some fashion model or lobbyist accuses them of murder for thinning herds that would otherwise be all but wiped out by winter kill.

Nothing about hunting is simple. least of all the mind of the predator. Not to recognize this is to miss the point of a new hunting ethos that is as strong in the deer and elk camps of Pennsylvania and Wyoming as it is dimly perceived in the plastic-shoe section of Bloomingdale's and the health-food bistros of Miami's South Beach.

The men and women in the huntexceeds 18 million.
In 1907, only about 40,000 elk could be counted. The elk popuwith not being recognized as the with not being recognized as the strong and dedicated conservationists they are. And lately they have become even more frustrated with talk-show patter about how dangerous they are.

Hunters do not join citizen's militias. They look at gun control as an urban-rural issue. And most of them agree that waiting periods and background checks are good safeguards

to attach to firearm purchases. The wilderness thrills them even as they see the social and political There are only two options left: and the Bosnian Croats. Failure to more rapidly than the natural world either the United Nations revises its take a stand will lead to similar probitself. They nurture their traditions lems in other potential Balkan trouble as vigorously as their grandfathers spots. Bosnia is not just the front line and grandmothers do, but they are propriate military help from NATO between Serbs and Muslims. It is also saddened by what they anticipale for (including the Americans) on the the front line in the war between their grandchildren.

Sometimes, sitting silently in the forest or climbing in the mountains. it occurs to them that they do not want to go home. They have begun to think of themselves as an endangered species.

hunter.

I know this because I am a The writer is editor and publisher of Sports Afield magazine. He contributed this comment to The New York Times.

#### have to marvel at its transformation. Tribune on the day of publication,

#### Active involvement of the Afghan "radical Islamic forces" has changed Bosnia and the West the nature of the war. The Tajik-Afghan border has become the border of the

William Safire contends that pouring weapons into Bosnia and dropping bombs on the Bosnian Serbs is the best way to "win the war" ("A Bosnian Solution Is in the Air," Opinion, June 2). If successful, this "pour and drop" strategy would result in the death or expulsion of more than a million Serbs from their ancestral homeland. A similar fate would be met by the tens of thousands of Muslims in Bihac, loyal to Fikret Abdic, who do not support the policies of the Izetbegovic government.

Mr. Safire suggests that the Bosnian Serbs' reach for self-determination must be crushed. If the West is to

uphold basic democratic principles, then surely the Bosnian Serbs should

be given a say in their own future. It must be recognized that there are four constituent groups in Bosnia: the Croats, the Muslims led by Alija Izetbegovic, the Muslims led by Mr. Abdic and the Serbs. The Western goal should be to ensure that no single group is allowed to impose its will on any of the others and that a mutually acceptable constitutional package is agreed upon.

The way to achieve this is to pressure all parties in Bosnia to negotiate directly with one another on equal

GEORGE TINTOR.

position of peacekeeping to peace-making and requests active and apground and in the air, or everybody nationalism and liberal democracy. pulls out of Bosnia and lets the fighting continue, with the added risk of opening the door to the establishment

of a Tehran-led fundamentalist Mus-

lim bridgehead in Europe - in the

midst of EU and NATO territory. KARL H. PAGAC. Villeneuve-Loubet, France.

Western powers must draw the line on the basis of the international peace accepted by the Bosnian government

JAMES H. MEYER. Istanbul Letters intended for publica-tion should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief

and are subject to editing. We

cannot be responsible for the re-

turn of unsolicited manuscripts.

Photo by Takeyoshi Tenuma

## malnutrition, illiteracy, and some of the most prevalent diseases could be achieved in a decade, if given priority.

### What's developing in developing countries is more children's minds like the one above.

The picture is looking better than ever.

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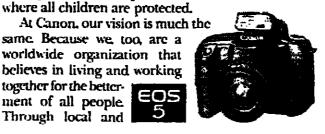
At last report, 71% of the children in developing nations are now completing at least four years of primary education. And even in the least-developed countries, a higher proportion of people are reaching adulthood with the ability to read and write.

As a company long associated with photography, we're happy to see this progress chronicled in such a heartwarming image as the one above.

But we're even more pleased to note what the image represents: the efforts of UNICEF and the many governments, non-governmental organizations, and individuals who are working to improve the education,

nutrition, and health of children throughout the world. UNICEF's mission is to promote global well-being through local development. Its vision is a world

At Canon, our vision is much the same. Because we too, are a worldwide organization that believes in living and working together for the betterment of all people. Through local and



individual empowerment. Through social and ecological responsibility. Through constant efforts to improve the quality of life. Because we, too, believe the world can and must protect and nurture its children.

And we're sharing this space in the hope that more people will support UNICEF and its work, and that more children will be able to raise their hands.

Not just to answer their teacher's questions. But to embrace the opportunities that await their minds.

#### They Are The World.

A message from Harry Belafonte, entertainer, civil rights leader, and Goodwill Ambassador for UNICEF.



Some of my childhood memories are as vivid as if they happened vesterday. As I travel today and meet children from all over the world, I am reminded by their faces and by their

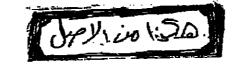
voices of how it feels when your opinions don't count, your ideas have little value, and you are powerless to change the things around you.

When I travel for UNICEF to Africa, Asia, Europe, or Latin America, where I grew up, I always take time to talk to and listen to the children — the most vulnerable of us. They have made it abundantly clear that they feel left out when decisions are made that affect their lives and that they feel held hostage by their societies and governments when political and economic decisions are being made about their future.

But each new generation offers humanity another chance. The United Nations Convention on the Rights of the Child, now ratified by 174 countries, ensures every child the right to survival and development, as well as protection from harm and exploitation. It also ensures every child the right to participate in the decisions that directly affect their lives.

When our time has come and gone, these children are the ones who will shape the world. They will be the world. It is the purpose of UNICEF and all of us who serve its cause to ensure that the children of our planet will have their own voice in the agenda of human affairs.





### Stockholm in Summer: Modern and Pastoral

By R. W. Apple Jr.
New York Times Service

teller machine or a microscopic bit of litter and the windows were spotless. seems grossly intrusive. Every factory along the expressway from the airport is modern, glacier-white and perfectly main- Conservative government then in power, tained. Every public space is immaculate, even tunnels and downtown squares. The had never come across a city that blosretaining walls are faced with natural stone. not concrete, and the light stanchions arch as elegantly as a giraffe's neck.

You will not fail to notice how fit everyone looks; this is the land of Bjorn Borg and Stefan Edberg. "This is the only city," Betsey said once, "where the women are so beautiful that even your wife looks out the summer we have been known to giggle." window and says, 'My God, look at that

But it is dangerous to try to describe the Swedes, or their capital, in dogmatic terms. Both change startlingly with the passing seasons. We stood in the square called Stortorget one spectacular June evening. with the temperatures in the 80s, as they and found it hard to believe that it was the same place where, in the midafternoon

and she told me that in all her travels, she somed in summer like her own. "The days changes, the stone of the city looks less severe, the color of the water changes, and the people change, too — they shed their shells, they laugh, feel optimistic again. In winter we are often melancholy, but in

Stockholm is a modern city, filled with angular marble-and-glass buildings. If its pace is slower than London's or Milan's, if it sometimes seems curiously pastoral for a metropolis of 1.6 million, it is nonetheless an important financial center, the headquarters

of Volvo and Electrolux, Ikea and Saab. But the sparkling waters of Lake Malar were throughout our 10 days in Sweden. that surround the city's 14 islands soften the urban landscape, and tradition is still served. The three most important parts of town are darkness of December, we used to buy known as Normalin, the main business dishandmade trinkets at the Christmas market. surrounded by freshly cut firs. It didn't feel Baltic at all. An ice cream stand was doing linked by bridges, and lies south of the other most of all, wander down the back streets. Stan, which is made up of three islands avoiding the overbusy Vasterlanggatan, and pop into a few of the hundreds of

formed each summer in an 18th-century

tapestries and weaponry; if not, watch the palace guard execute its rigorous formations outside to the tune of drums and bugles at noon on weekdays, 1P.M. on Sundays. Listen for the bells of the Storkyrkan, the city's 13th-century cathe-dral, which echo, off-key, down the twist-played collection of Norse and Viking ar-

musicians in breeches and powdered wigs.

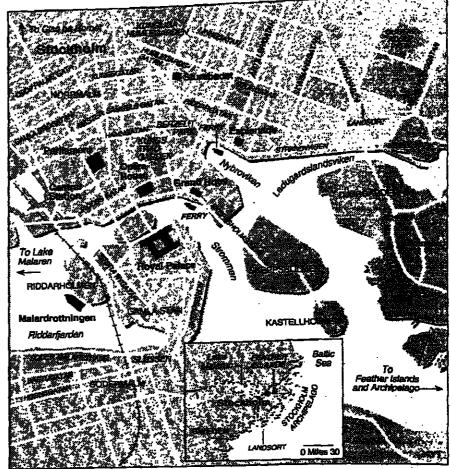
ing lanes.
Inspect the old houses, like the one at 4 Kindstugatan, which is inscribed "Olof Hansson-Margareta Andersen, 1674." But

a roaring business just in front of the Stock two. In the 13th-century Riddarholm church enticing shops. Stockholm is dotted with Exchange, where the Swedish Academy at the western end of the Old Town, shields museums, at least a half-dozen of which meets each fall to choose the Nobel lau- bear the arms of great Swedish and foreign should be on any itinerary. At the top of the TOCKHOLM — Driving into reate in literature; bare-chested sunbathers Stockholm last summer after an absence of almost 10 years, my vellow and rust-red of the old merchants.

TOCKHOLM — Driving into reate in literature; bare-chested sunbathers families, including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank on its maiden wooden warship that sank on its maiden wooden warship that sank on its maiden wooden warship that sank or its maiden wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte. Wrangel the arctic wooden warship that sank or its including Hammarskjold, Wallenberg and Bernadotte wooden warship that sank or its including Hammarskjold wo wife, Betsey, and I were reminded houses seemed to glow from within. It Finnish hero, Across the bridge, near the miraculously from the seabed in 1961. It at once of a pronounced Swedish char- could have been Italy, except that there was piers where the sightseeing boats tie up. survived almost intact. At the nearby acteristic - an aesthetic sensitivity so well no laundry hanging above the narrow stands the gilt-roofed Royal Dramatic The- Skansen open-air museum, on the city isdeveloped that an occasional graffito on a streets of the Gamla Stan, the Old Town, ater, where occasional productions by In- land of Djurgarden, farmhouses, windgmar Bergman further enhance a rich mills, barns and churches have been as-coco Drotmingholm palace, the operas of Museum, with clattering, skeletal sculp-Mozart and his contemporaries are per- tures by Jean Tinguely and bulbous forms by Niki de Saint Phalle standing guard out get longer, she said, the weather theater, with period stage equipment and front. The museum, an unpretentious structure in a grove of trees, was founded in 1958 by Pontus Hulten, who later headed HE Old Town, with its narrow, the Beaubourg in Paris, the Palazzo Grassi cobbled streets, its copper spires in Venice and the Museum of Contem-and its fine neoclassical and Dutch porary Art in Los Angeles. On the same Baroque buildings, is the city's island is the Museum of Far Eastern Angem. Visit the Royal Palace if you like tiquities, with fine Chinese and Japanese island is the Museum of Far Eastern Ancollections.

We seldom resist making a brief stop at the National Museum to see its spectacular Rembrandts and a longer one at the Mu-seum of National Antiquities, which has an iifacts, unmatched anywhere.

New York Times Service



### The Many Guises of Herring

THE MOFIE GEIDE

Directed by Carlo Carlei. U.S. Anything that departs from for-

send kids sobbing into the night. you go to this, you're on your make up a fervent chorus: They Consider yourselves warned. own. (Desson Howe, WP) stick it out, cry on command. Consider yourselves warned. When Fluke enters his latest mulaic convention is like catnip life, he's an alley mutt (played Salam Cinema to a critic. Which is what kept by Comet, the golden retriever Directed by Mohsen Makhmalme alert and interested through- in the TV series "Full House"), out "Fluke." But at the same who has to learn how to score remembers from a previous life, (played by Samuel L. Jackson) audition turns into a cruel seadventure for the whole fam- through is anything but. Apart dictator, queries and rejects ily." But it's a bizarre hybrid of from jaded kids from the Beavis hopefuls - intellectuals, workwet-nosed tearjerker and adult and Butt-head generation, who ers and children - after lis-

baf. Iran. time, this doggie flick, starring free meals behind restaurants. When a famous director -

psychodrama, with a bummer might walk out of this cackling tening to whispered lives. sad conclusion, and out-there Bud- 'Cool, uh-hurrrir, uh-hur- and comic confessions. Women dhist-lite themes about life be- rrrrr," it's hard to imagine who students, their heads draped in

not getting the part. The 75est, most depressing family communicate ala Look Who's centennial, he puts an ad in the casting process — evokes an- eted for their herring. films ever made. The story of a Talking." Suddenly. Fluke (the paper for 100 actors, but 5,000 other great Iranian director, Abmutt that returns to a family it voice of Modine) and Rumpo show up, and a riot ensues. The bas Kiarostami, who made

the Cannes selection), did prison for his anti-Shah politics; re-(Joan Dupont, IHT) ment.

Next week is the U.S. Postal Service's National Dog Bite Prevention Week. A mailman gave reporters this advice: "Never turn vour back on a dog and make some noise as you come up to the house."

TOCKHOLM — Herring is the pre-eminent Nordic food, much loved in all of its many guises pickled, smoked, marinated, curried, fried or jellied, chopped into salad, yond the grave, guaranteed to "Fluke" would appeal to. If chadors, their feet in sneakers, slathered with cream, sauced with mustard or perfumed with dill. It is as typically Swedish as the hamburger is typically American, so much so that the Swedes use and cry even harder at the idea of the word fisk, meaning fish, to describe cod minute movie puts them to a merciless examination. Makh-herring, Herring, in a class all by themmalbaf plays on the ambiguities selves, are called stromming if they come of power and the power of cin- from the Baltic Sea, or sill if not. The great Matthew Modine, Nancy and evade dog catchers. He's Mohsen Makhmalbaf plays ema on public imagination in an 17th-century trading guild the Hanseatic Travis. Eric Stoltz and Max taught by shaggy mentor himself - starts casting a film impoverished society. The League was organized because the Ger-Pomeranc, is one of the weird- Rumpo, who also shows how to made to celebrate the cinema structure of the movie — the mans had the salt the Scandinavians cov-

bas Kiarostami, who made in Stockholm with the lunchtime smor-Makhmalbaf the subject of his gasbord at the Operakallaren, a restaurant "Fluke" is described by Metro- are yakking big time. The banter lection process; only the fittest film "Close-Up." Makhmal- of Victorian splendor, opulently draped Goldwyn-Mayer as "a magical is fun, but the story they go will survive. The director plays baf, who is now internationally and paneled in oak, that stands near the recognized (the film was part of waterfront in the heart of the city. Its smorgasbord is the genuine article, stripped of foreign accretions and restored to its traleased during the 1979 Islamic ditional glory by Sweden's Escoffier, Tore revolution, he became a popular Wretman, who ran this and three other filmmaker and writer. Raised in Stockholm restaurants in the postwar Teheran's poor district, he dis- years. A dozen dishes of herring occupy covered movies at 24, and has one end of the 25-foot-long oval table and said it changed his vision: This always form the first course. A second is vision of a punishing culture often composed of fish dishes, such as makes painful, ironic entertain-

We began our gastronomic adventures

redundant) fifth, dessert, usually fruit. According to local practice, the whole aquavit, accompanied by large glasses of the dragon. Pink-and-white-striped ban-

Temptation, a baked casserole of potatoes, semi-salt anchovies, onions and cream, which tempts me as much as it did Jansson; beef à la Lindstrom, succulent linle patties of beef, beets, onions and capers, and pytt i panna, aromatic beef hash topped by a fried egg or raw egg yolk. Swedish country cooking of a rather more sophisticated (and more costly) sort is served at two restaurants conveniently close to the department stores and other shops downtown. These are Greitz, an old café with a green glass front and claret-colored walls, where you might try the sotare, which is grilled Baltic herring with parsley and butter, and KB, an urbane spot that serves sausages flavored with marjoram and wonderful crayfish.

Even better, for my money, is Nils Emil, a cozy neighborhood place in Sodermalm, the southern section of the city, a 10-minute cab ride from the center. Filled with ship models, halogen spots, graced by a beautiful blue country clock shaped like a bass fiddle, the place is packed every night. We had an herby Baltic fish soup, followed by roast wild partridge accompanied by two favorite Swedish ingredients, morels and lingonberries, and finally a hot, moist apple cake with a vanilla-laced custard sauce. We drank an

Château Cantemerle. queties greet you when you walk in, and an old yellow bar, and raw vegetables and dition can be sampled at the little Bakfickan remoulade sauce arrive the minute you sit sics, too. It's all terrific.

There the specialty is husmanskost, or home started with a plate of herring, salmon, eel cooking. This is nursery food: Jansson's and bleak roe, accompanied by Swedish boiled potatoes, neither waxy nor mealy, perfect without butter or anything else. Fish for the main course, too — for me, precisely timed halibut, the color of a polar bear, with tarragon sauce; for Betsey, salmon with spinach and a light tomato

Of all the restaurants in Stockholm, Lallerstedt's favorite by far is Wedholms Fisk, an austerely elegant establishment opposite the Royal Dramatic Theater, with dove-gray walls, big mirrors and a stain-less-steel chandelier. The walls are adorned with a few fine modern pictures from the collection of Bengt Wedholm, the funny, lively 75-year-old proprietor. His food, based on flawless raw materials, is . similarly understated. You suspect perfection is the goal when the waitress spies a piece of lint on a wine glass and replaces it rather than repolishing it. Confirmation brightened by a crystal chandelier as well as comes when you taste the grilled turbot with Dijon-flavored hollandaise or the fricassee of sole, turbot and lobster.

UT no doubt you might, like me. rebel at some point and cry out.
"No more fish!" When you do, head straight for P.A. & Co., a backstreet bistro that would be right at Italian white from Avignonesi and a claret, home in Santa Monica. Named for P.A. von Rosen, the founder, this is the hangout Wretman's successor as the emperor of of Stockholm's film and advertising supreme Scandinavian delicacies, the Swedish haute cuisine is Erik Lallerstedt, crowds and assorted other young, hip, cured salmon called gravlax, served with a who owns several restaurants. He ran away beautiful people: the Ritz of Stockholm's dill-mustard sauce. A third might include at 17, was dismissed twice from jobs as a jeans generation. Marble tables, bare aircold meats, cheeses, eggs and salads, a clerk and an elevator operator at the Wal- conditioning ducts, blackboard menu. Start fourth small warm dishes such as kot- dorf-Astoria in New York, then came home with a homemade horseradish vodka, then tbullar, or Swedish meatballs, and a (highly and opened a stall in the Ostermalm martravel the world — a beet, feta and pesto ket. His flagship, Erik's, is in the Old salad, inspired by Greece, sashimi from a Town, across from a much-loved statue of Japan, chicken tikka from India, cheesething must be irrigated by small glasses of St. George (Goran to the Swedes) slaying burgers from the United States, gazpacho from Spain, osso buco from Italy, even brownies from Joe Allen's American bar in : Paris. Updated versions of Swedish clas-

R.W. Apple Jr.

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restaurant—the name means "hip pocket" down — plus plenty of Wika, the best — on the other side of the Opera House. brand of crispbread, from Dalarna. We

#### ROOKS

WITH REVERENCE AND CONTEMPT:

How Americans Think **About Their President** 

By Thomas S. Langston, 180 pages. \$24.95. Johns Hopkins University Press.

Reviewed by Michael R. Beschloss

FEW campaigns in American history have illuminated the two halves of the presidency chief of state and head of gov- after all. ernment — more starkly than that of 1992. Bill Clinton and his handlers tacitly suggested that, especially in a time of economic crisis. Americans had grown up enough so that they no longer cared very much about reverence. Bill Clinton is scarcely mentioned. But the the symbolic side of the presidency. Like the Europeans, so background, citing presidents the argument went. American voters would no longer demand that their leader's personal life lem. and character be so unblemished that sons and daughters would want to emulate him:

outstanding problems. Perhaps Bush had not done everything he might have in domestic affairs, but Clinton lacked the stature that a chief of state required to unify the country and represent it before the world. As the Bush secretary of labor, Lynn Martin, subtly exclaimed when she placed the president's name in nomination in Houston, "You can't be one kind of man and another kind of

By defeating Bush, Clinton seemed to have won the argument: Hadn't voters shown that they were willing to swal-

president!"

low their doubts about Clin- civil religion," a passive public as well as good." ton's character in order to get is encouraged to "indulge in

president's symbolic role remains. It is difficult to deny that Clinton would be a stronger leader today were he not labor-ing under the incubus of ques-appraise the president's qualicharacter. Perhaps Americans functional relationship, the presstill need a paternal head of state ident and his admirers would not

Thomas Langston did not ship as they did, for instance, rite this book to explain why under Kennedy or Reagan." write this book to explain why such a startling number of Americans treat their 42d president with more contempt than volume offers some historical

The author, a Tulane politand those they lead as "dys-

Clifford Torng, managing director for China with Saatchi

and Saatchi in Hong Kong, is

reading "Dirry Tricks" by Mar-

"It purports itself to be the

backroom story all about the

battle between Virgin and

British Airways. It's certainly

interesting."
(Kevin Murphy, IHT)

tvn Gregory.

WHAT THEY'RE READING

years in office may instead practiced today, is not impos-demonstrate how important the sible but is destructive." Langston believes that "if the symbolic load upon each president's back were made lighter, appraise the president's qualitions about his background and ties as a politician." In "a more feel the same intensity of kin-

> This, he writes, would "enhance the maturity of the relationship" and "strengthen the political bond between a president and his supporters.'

The "president-as-politi-cian" would "be expected to from Jefferson to Bush, with make policy, not perform mir-which to understand the probidential elections were "less cosmic and more substantive," ical scientist, argues that we de- more Americans might vote mand too much from the pres- and otherwise participate in the much more important for a po-rential president to be a tough idency. Using the jargon of pop psychology, he describes the ident might even "repay the political operator who could fix relationship between presidents compliment" by feeling more free to take a longer view and

stead encourage the growth of third, fourth and fifth parties, which would increase the chance that the House of Rep-Thus presidential candidates ington Post.

On the diagramed deal, from the 33d UJA-Federation the match points.

In response to the one notrump opening, Gould as North checked for aces with a Gerber four-club bid, but he was not sure that his partner was on the same wavelength and followed with four no-trump, asking for George Bush's side proposed almost the mirror image of this:

and those they lead as dys make sure the people knew aces a second time. This ended about forthcoming "bad news the auction and formulously took the partnership to the right match-point contract since there are just two aces to lose in

> West led a club to the ten and king, and Schuld cashed all the spades to reach an ending in which she held king-jack-seven of diamonds and the club queen. West had retained his two aces and two diamonds. and East four diamonds.

would have to "seek the back-" ton's character in order to get is encouraged to "indulge in some presidential action on the economy and health care?

Clinton's two-and-a-half leadership, especially as it is the character in order to get is encouraged to "indulge in fantasies" and expect too much that changing the Constitution is necessary to transform the presidency in his image. In "governing team."

Langston does not believe ing of multiple-party coalitions" and "view members of a congress as their allies" in a "governing team." "governing team."

Michael R. Beschloss, a historian and the author of books on the Roosevelt, Eisenhower, .. resentatives would have to de- Kennedy and Bush presidencide a presidential election. cies, wrote this for The Wash-

#### BRIDGE

By Alan Truscott

game, most partnerships played Schuld and Jay Gould stole all

either spades or no-trump. There was some talk of a missed slam, and West volunteered that a slam could not be made.

South cashed the diamond ace, led the four and stopped to

consider when East played low. She took the finesse for reasons that were part analytical and part auditory: West had parted with a diamond at an early stage and :

had made a revealing comment. in four spades and made 11 When the jack won and the tricks. The winners, Diana king was cashed. West was de moralized and erred by throw ing the club ace: the first trick had clearly indicated the club queen's location. Scoring the 13th trick hardly mattered, ? however, for 690 would have been a top score.

> ◆ K Q 9 6 5 4 3 2 ♥ K J 0 A 4 WEST EAST (D) 7 A 10 9 6 ♥87543 >983 ♣AJ963 **4**10742 SOUTH 8 QI L A 💠

NORTH

♥Q2 ♦KJ75 **♣** K Q 5 North and South were vulnerable South West I N.T. Pass

Pass West led the club six.

Pass

4 N.T.

for 9 delivers. 1 HIM the same bearing

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AL VIEW

Herald.

### Interactive' Boeing 777

By Roger Collis

NITED Airlines is looking for a big boost to business with the new wide-body Boeing 777— which made its global debut with the highest ceilings and biggest overhead storage bins in the sky, plus "interactive" video systems (with 5.7-inch color LCD screens at every seat), umpteen audio and video channels, video games, electronic shopping, and the last word in satellite telecommunications. Oh, yes, and "a third more fresh air than other planes" (assuming pilots don't shut down air-conditioning packs to save fuel) plus wider, more comfortable seats, even for folks in

the back of the plane.

United's 777's will initially fly London-Washington, Chicago-Frankfurt, Denver-Chicago and Chicago-Washington with 292 seats in three classes. Economy has 231 seats with a 31-33-inch seat pitch and 18.5 inches wide in a 2-5-2 layout; business class has 49 seats with 49-inch pitch and 20 inches wide in a 2-3-2 layout; and first class has 12 seats with 64-inch pitch and 21.5 either have to fly United or a foreign line, such as British Airways or Japan Airlines.

State-of-the-art inflight entertainment systems, including live radio and TV, and satellite telecommunications, ergonomically designed seats, enhanced service, and above all more space, in spanking new aircraft are crucial factors in the airlines frantic attempt to here recession-hit business travelers out of economy and back to the front cabins.

account for around one-third of passengers, but two-thirds of revenue. Downgrading has led to a calamitous decrease in airlines yields — profit per mile per passenger. Major airlines have had "yield dilution" of up to 30 percent over the last two

The fall-back is due to cabin-hopping — from first to business class, and from business to economy. According to the 1994 Air Travel Survey of 1,025 frequent long-haul travelers, published by TATA, while travelers continue to report decreased trav- a premium of \$300 one way s el budgets, nearly a third said they were

Cutting fares for high-yield passengers is

The Frequent Traveler

a slippery slope for airlines; instead they have added more and more frills to try and same time managing to debase the class size pillow. system with a blizzard of promotions and Avia Airl

ing replaced on many airlines with a larger, upgraded business class — more comfortable than first class used to be in the 1970s and SAA's 747 400s. - with jumbo reclinable seats (up to 60 inches of leg room), better meals served with real china, cutlery and glass, more drinks than you can safely manage, and more elecinches wide in a 2-2-2 layout. If you want to tronic gizmos than you can possibly figure try the 777 in the next two years, you'll out how to use. Plus the run of an airline lounge, "fast-track" channels through immigration; limo transfers at either end, and

valet parking. Plus bonus miles.
British Airways was first with an arrivals lounge at Heathrow where first- and business-class passengers could spruce up and get their act together. It was swiftly copied by Virgin, American Airlines and United.

Virgin Atlantic's Upper Class — which provides fully-reclinable sleeper seats with 60-inch pitch, and the amenities and com-The stakes are high. Business travelers forts of first class at business-class prices,

business cabin. Both feature sleeper seats with a 55-inch pitch; KLM, Northwest and TWA have abandoned first class for a "premium" business class. SAS, which abolished first class in 1989, has fitted the front rows of business class with 12 sleeper seats with 50-inch pitch, for which you pay

But first class is alive and well with other business class is space and privacy.

traveling more. For airlines, the issue is airlines, especially Asian carriers. Seat how to recapture high-yield business pas-sengers who are traveling or spending less.

I suppose some people can think of a galaxy of entrepreneurial reasons for stretch out almost horizontally across five windows. Ansett Australia makes its shelling out £5,000 (\$8,000) for a round-trip Concorde ticket to New York when a full economy ticket is less than £900. But United Wednesday between London and Washington — thanks to "state-of-the-art passenger comfort and facilities" such as for the £4,000 I save by not flying Conicors with a choice of 40 movies, plus meals served by a proper in-flight chef, not just corde. someone in an apron. Cathay Pacific spent \$10 million refurbishing first class on its new Airbus fleet. British Airways offers first-class passengers a Sleeper Service on overnight flights of less than nine hours. You are given pajamas, and your sleeper justify the price of the ticket while at the seat is made up with sheets, quilt and a full-

Avia Airlines, which started flying between Johannesburg and London a month First class, costing up to twice the price of business class (it is only 24 percent to 60 percent more on Asia/Pacific routes), is bedupoly with fares around 20 percent lower. Avia claims that its 747SP shaves 40

> Ull economy is probably the worst buy in the sky — unless you plan to use it for an upgrade. If you've got to sit in sardine class it makes sense to shop for the cheapest fare. Many airlines are downgrading economy to ultratight 10-across seating and 31-inch seat pitch — which makes business class almost seem like good value.

> If you cannot upgrade to a better class of cabin, try to upgrade to better equipment, like the Airbus 340 or the Boeing 777 with high-tech amenities.

Experienced travelers know that there are only two kinds of plane — empty planes and full planes. You can put up with even the worst airline seating if you're next was the prototype for other airlines abandoning first class.

Continental's BusinessFirst and Air Canada's Executive First aimed to combine first and business in a double-size forward and stretch your legs over it. Couples can sometimes beat the system by asking for an aisle and a window seat in a three-seat row. There's a good chance the middle seat won't be taken. On a widebody plane you can increase the odds of having an empty seat next to you by asking for an aisle seat in the center section.

What you're really paying for in first and

SPAIN

June 25: "Contemporary Spanish Sculpture and Drawings." Works by 30 Spanish artists including Picasso,

Museo de Bellas Artes, tel : (94) 424-27-99, closed Mondays. To July 15: "The Tradition of the New: Masterpieces from the Guggenheim Colsculptures and photographs by artists such as de Kooning, Pollock

Warhol, Dubuffet, Tàpies, and

Musée Ariana, tel: (22) 734-2950. closed Tuesdays. To Sept. 18: "Verre de Venise: Trésors Inédits." The his-tory and development of Venitian

Lugano
Villa Favorita, tel: (91) 51-61-52, open Fridays, Saturdays and Sundays. To Aug. 12: "Baghdad to Istahan: Islamic Painting and Calligraphy from the Russian Academy of Sciences, St. Petersburg." 200 items spanning 1,000 years of Islamic art and culture, including rare books and manuscripts, as well as Persian and Mogul miniatures from the 15th to 17th century.

New York
Solomon R. Guggenheim Museum, tel: (212) 423-38-40, closed
Thursdays. To Sept. 17: "Georg
Baselitz." Spanning three decades
of the artist's career, this large-scale
exhibition includes approximately
100 paintings and several major
scriphures.

Washington
Maseum of African Art,
tel: (202) 357-2700, open daily. To
Sept. 4: "Ancient Nubia: Egypt's Rival in Africa." The Nubian and Egyptian civilizations which flourished
along the Nile river are the two oldest
proven in Africa. This exhibition dis-

UNITED STATES

SWITZERLAND

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Carrier/Hotel	Location	Deal
AIR CANADA	Toronto to Tel Aviv	Aeroplan members earn double miles on any flight, any fare. A round-trip flight in business class earns you 25,992 miles, enough for an Air Canada award ticket for travel within North America. From June 20 to July 31.
AIR FRANCE	Europe	Frequence Plus members earn double miles for flights between Strasbourg and Hamburg, Berlin or Munich. Until June 30.
AIR NEW ZEALAND	Asia/Europe	Air Points members flying first or business class earn double points between New Zealand or the Pacific Islands and London or Frankfurt. Until July 31.
GRAND HYATT ERAWAN	Bangkok	"Bangkok Summer Package" from \$350 per single for two nights includes limo transfers, American breakfasts, use of spa facilities, shopping discounts, and check-out till 6 P.M. Until Sept. 30.
HOLIDAY INN GOLDEN MILES	Hong Kong	Summer package for 1,260 Hong Kong dollars (\$160) per room per night includes airport transfers, health club and breakfast for two. Children under 19 sharing with parents stay free. Until Aug. 31.
INTER-CONTINENTAL	Asia/Pacific	"Seasonal Spectacular Package" offers discounts of up to 40 percent at 16 hotels in Asia. Rates include American breakfast for two with taxes and service. Examples: \$86 a night at Forum Hotel, Shenzhen; \$212 a night at Taj Inter-Continental, Bombay, and \$188 a night at Inter-Continental, Sydney. From June 16.
INTER-CONTINENTAL	Europe	"Summer Spectacular" promotion offers reductions up to 50 percent at 47 Inter-Continental and Forum hotels in 35 cities. Sample rates (double or single) including American breakfast, service and taxes: \$103 at the Forum, Hamburg; \$279 at the Inter-Continental, Paris, and \$299 at the Amstel, Amsterdam. June 16 to Sept. 11.
MANDARIN HOTEL	Singapore	Special "Mandarin Club" rate of 310 Singapore dollars (\$220) per room per night (plus 14 percent tax and service) includes limo airport transfers, breakfast, butler service, cocktails and express check-in and check-out.
LE MERIDIEN	Europe	"Summer Passport" promotion offers up to 50 percent dis- counts for minimum two-night stays, single or double, with taxes and service, at 19 properties. Until Aug. 31.
MOVENPICK HOTEL	Beijing	Rooms for \$80 a night include upgrades when available and shuttle to airport and downtown. Until Aug. 31.
PALACE HOTEL	Beijing	"Share the Experience" package gives 32 percent discount on "deluxe" rooms and 20 percent off on all suites. Until Sept. 15.
RADISSON SAS LAN SHENG HOTEL	Shanghai	"Business Class Package" for \$140 for single or \$150 double per night includes buffet breakfast, limo airport transfers, downtown shuttle, use of health club and dry cleaning of one suit or dress during stay and late check-out. Until Aug. 31.
REGENT HOTEL	London	"London Summer Season" package for £89.50 (\$140) per person per night sharing a double room for minimum two nights includes English breakfast, parking, use of health club, sauna and pool. Until Sept. 3.
ROYAL HOLIDAY INN CROWNE PLAZA	Singapore	Executive package for 210 Singapore dollars (\$150) per single includes breakfast, local phone calls and faxes, pressing of one suit or dress per stay, 10 percent discount on business center and late check-out. Stay four nights and get the fifth night free Until Sept. 30.
TIM HOTELS	Paris	Two people can stay for two nights for 1,000 francs (\$200) in any of 14 Tim Hotels in central Paris. Deal includes a welcome bottle of champagne, buffet breakfast, entry to museums, and local rail

of champagne, buffet breakfast, entry to museums, and local rail Although the IHT carefully checks these offers, pl

Antwerp
Meir 47, tel: (3) 227-4359. To June
30: "Cobra, 1945-1995." 100 works
by artists who belonged to the Cot
BRA group, includes works by Asger
Jom, Carl-Herming Pedersen,
Alechinsky, Pol Bury, Karel Appel
and Cornelle, among others.

Barbican Art Gallery, tel: (171) 588-9023, open daily. To Aug. 28: "George Rodger: A Photographic Journey." A survey of the work of a pioneer of international photoloumalism. More than 250 photographs, divided into sections entitled The Bitz, Adventures, The War in Europe, Assignments, and Africa, represent the photographer's passion for travel.

Musée des Besux-Arts, tel: (514) 285-1600, closed Mondays. To Oct. 15: "Paradis Perdus et l'Europe Symboliste." 500 peintings, drawings, watercolors, sculptures and photographs document the Symbolist movement at the end of the 19th century, includes works by Gustave Moreau, Maurice Denis, Odilon Re-don, Munch, Rodin and Mucha.

#### FRANCE

Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuasdays. Continuing/To Aug. 21: "Constantin Brancusi." Also, to Sept. 4: "llya Kabakov: C'est ici que nous Vivons." Paris, tel: 40-70-11-10, closed Mondays. Continuing/To Sept. 17: "Chagall, les Années Russes, 1907-1922."

#### **GERMANY**

Schim Kunsthalle, tel: (69) 299-882, open daily. To Aug. 20: "Okkul-tismus und Avantgarde: Von Munch bis Mondrian." The Invisibility of the soul and the relationship between man and coemes are explored in Frankfurt

Istituto degli Innocenti, tel: (55) 247-7952. open daily. To June 24: "L'Interno dalla Divina Commedia di



A 1940 war scene by George Rodger, shown in London.

Resina di Robazza." 18 large marble and resin high-reliefs by Benedetto Robazza representing Dante's de-scent into the underworld.

Genca
Palazzo Ducale, tel: (010) 562-440, closed Mondays. To July 30: "Il Tempo delle lifusioni: Arte Russa degli Anni Venti." Documents the influence of the European Metaphysical movement and the German Magic Realism on the works of Deineka, Dormidonitov, Shenderov, Pakulin and Palchorov.

#### JAPAN

Tokyo
Tobu Museum, tel: (03) 53-91-3220, closed Wednesdays. To June 25:
"The World of Brueghel." 47 works by the Brueghel family including five drawings by Pieter the Elder.

#### **NETHERLANDS**

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Herald Eribune THE ROBLES DARRY STREET,

open daily. To Aug. 13: "Views of Windsor: Watercolours by Thomas and Paul Sandby from the collection of Her Majesty Queen Elizabeth II." 18th-century watercolors by the Sandby brothers who portrayed the castle, its parks and estates during the reign of George III.

Don't miss the upcoming Special Report on

Warsaw known in Africa. This exhibition dis-Centre for Contemporary Art, tel: (2) 625-05-2, closed Mondays. To 3100 B.C. to 400 A.D.

#### AVIATION

in the Monday, June 12 (Part I) and in the Tuesday, June 13 (Part II) editions of the newspaper.

Herald Eribune

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the International Herald Tribune expands its worldwide distribution with the opening of its 12th printsite, in Toulouse, France. This enables early morning delivery on the day of publication in the entire southwest region of France.

THE WORLD'S DAILY NEWSPAPER

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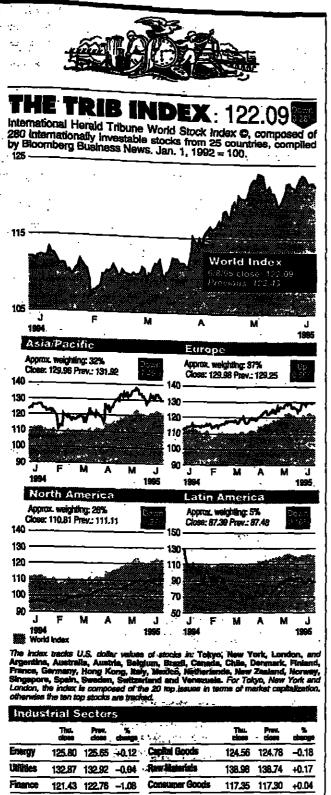
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### Fed Chiefs Split on Outlook

Greenspan Sees Little to Fear

By Lawrence Malkin International Herald Tribune

NEW YORK - A dispute among the top American central bankers about the state of the U.S. economy has undermined hopes that they will quickly cut interest rates.

The idea that the American

economy was losing strength fueled a raily in the bond market that pushed the yield on the 30-year bond down from nearly 8 percent in late January to just over 6.5 percent this week. Investors had been betting that the Federal Reserve Board would push down borrowing costs to forestall a recession. But Alan Greenspan, the Fed

chairman, said Wednesday that "while some slowing down was clearly very desirable," he did not foresee any shocks that would knock the economy off

"The probability of a significant inventory recession in the intermediate future - this is. the last part of the year and into next year and beyond - has decreased very significantly,"

Mr. Greenspan made his remarks at the close of the International Monetary Conference in Seattle. They were seen by some in Wall Street as a rebuttal to Vice Chairman Alan Blinder, who had said in an interview published that morning that he was more immediately concerned about the risk of an economic downturn than the danger of higher inflation.

Mr. Blinder's remarks fueled expectation on Wall Street that the central bank would move soon to revive the economy with lower interest rates, while Mr. Greenspan's tugged senti-

See FED, Page 14

### Merger Fever in Britain New Deals and Rumors Heat Up Market

By Erik Ipsen
International Herald Tribune

LONDON — Corporate takeovers, both real and rumored, briefly propelled the FTSE-100 index of leading stocks to a 15-month high Thursday in spite of more news hinting at an economic

The two takeover developments were a greatly sweet-ened bid for the shipbuilder VSEL PLC from General Electric Co. of Britain and the announcement of an agreed merger of two of Britain's largest cable operators.

"The only explanation for the relatively strong performance here is takeover speculation surrounding a number of different stocks which has then spilled over to other stocks in their sectors," said Roger Barker, a UBS equity strategist who sees the market slightly overvalued after rising strongly in recent weeks in line with a powerful bond

Analysts say the combina-tion of a strong stock market and a build-up of cash in corporate balance sheets has set the stage for the wave of take-

"Just like anybody else, when corporations have money they find the temptation to spend it almost irresistible," said Peter Lyon, equity strat-egist at Smith New Court.

But few analysts actually foresee a return to the merger mania that swept the London market in the late 1980s. Many note that accounting rules have now been tightened, making it far harder for acquiring companies to boost their earnings per share sim-ply by hitting the acquisition trail. Such financially driven takeovers have now given way to strategic buys, they

The archetype of that more conservative class of takeover is the current battle for VSEL being waged by two of Britain's biggest defense contrac-tors. General Electric and

British Aerospace PLC.
On Thursday General
Electric unveiled its improved cash offer of £21.50 per share for VSEL, valuing the company at £835 million (\$1.33 billion). That tops a BAe bid launched last week by slightly more than a third, a rise in the ante that many analysts predicted would give the victory to General Electric. At stake in VSEL is not only a £2.5-billion order for Trafalgar-class nuclear submarines but a £411 million cash horde as well.

In contrast to the acrimonious eight-month tussle for VSEL, two of Britain's leading cable television operators revealed Thursday that they had quietly sewed up a merg-er of their own. Under the terms of that deal, TeleWest Communications PLC, the largest British cable-television company, will merge with SBC CableComms, the country's fifth-largest cable

company. The merger values TeleWest at £2.3 billion and SBC CableComms at £679 Both companies stem from the American invasion of the British cable television market that followed its deregulation several years ago. SBC

CableComs is owned by

America's SBC Communica-

cations Inc., while TeleWest is majority owned by Tele-Communications Inc. and US West Inc.

The combined entity will now have a total of 353,000 cable-television subscribers and 318,000 residential telephone lines, and a potential total market of 4 million homes, nearly a quarter of the market. Both companies cited economies of scale as a driving factor in the merger, a logic that is now widely expected to drive further mergers in the industry in coming

The biggest deal of the day, however, was the one that once again got away. Rumors of an imminent acquisition of the drug maker Zeneca Group PLC sent its shares rocketing 12 percent in early

But a slightly disingenuous announcement from the com-pany in the early afternoon saying that it knew of no reason for the share price move other than investor confidence in its new products sent Zeneca's shares falling back. It closed at 1,065 pence, up from 992 pence.

At the same time some speculators were snapping up Zeneca's shares in the hope of quick gains from a buyout, others were bidding up the shares of the Swedish drug maker Pharmacia AB in the expectation that Zeneca would soon buy it. Share purchases in Pharmacia reached such a volume that its largest shareholder, Volvo AB, was forced to deny that it had entered into any talks with anyone to part with its 27.5

### Japan's Plan To Aid Banks Leaves Doubts

By Sheryl WuDunn New York Times Service

TOKYO - After calling the country's banking crisis the worst since the Depression, Japan's finance minister on Thursday announced a rescue package aimed at restoring confidence in the world's secondlargest financial system.

The comments by Masayoshi Takemura were an attempt to demonstrate the government's resolve in curing Japan's ailing banking system, which is awash in bad debt amounting to at least 40 trillion yen (\$473 billion). That is the government's own estimate; others run as high as S1 trillion or more, which would make it a far more serious debacle than the savings and loan crisis in the United States.

The rescue package also is billed as part of an overall strategy to stabilize the yen, which has risen 15 percent against the dollar since the beginning of the

Mr. Takemura called the package "bold and aggressive," but the measures included few concrete steps to ameliorate the banking crisis, and analysts were skepucal that the plan would help stimulate lending and investment and thereby reignite the country's sagging economy and stabilize the yen.

"Meaningless, in a word," said David M. Atkinson, banking analyst at Goldman Sachs (Japan) Ĺtd.

Since banks are plagued by a

very willing to promote lending, especially in the uncertain economic environment. In fact, loan growth has been negative over the past year.

David Threadgold, a bank a analyst at BZW Securities (Japan) Ltd., said the government's plan was "like rearrang- ning deck chairs on the Titanic."

But analysts did say that the rescue package, to cover a five- i year period, was useful as a renewed demonstration of the government's commitment to the financial system.

In a document describing the measures, the Finance Ministry 1did not offer any of its ownfunds as part of the rescue, package. Instead, it said the Bank of Japan would be authorized over the next five years to make "special" loans to bankrupt lenders, with conditions, a such as the resignation of top

The use of taxpayers' money to finance the ailing banking system has been a sensitive issue because many Japanese blame, the current recession partly on the banks. They would not like to see public funds channeled to the banks' rescue.

While Mr. Takemura did not directly allocate any public-funds, he did call for a national debate on the possible use of taxpayers' money to bail out banks. A Japanese analyst who did not want to be identified said it would be difficult for the government to commit to using any public money before elec-

### WALL STREET WATCH

For more information about the Index, a booldet is available free of charge.

### Magellan Bets Rates Will Fall

By Edward Wyatt New York Times Service

EW YORK - Investors in America's largest mutual fund might not know it, but they are betting that the Federal Reserve Board is about to ease interest rates — and sharply.

In a speech in New York, Jeffrey Vinik,

manager of the \$44 billion Fidelity Magellan fund, spoke at length about what is, for a mutual-fund manager, a risky proposition guessing the direction of interest rates.

The Federal Reserve, Mr. Vinik predicted, will lower short-term rates "very soon and very rapidly over the next several months."

The prediction holds significant implica-tions for Magellan shareholders. All of Wall Street knows about the fund's huge bet on technology stocks, which account for more than 40 percent of Magellan's assets. The strategy has paid off so far this year, as the fund has gained more than 18 percent.

After technology, the fund's second-largest group of investments, at 25 percent of assets, is in cyclical stocks, including big-ticket industrial manufacturers such as Caterpillar Inc., Deere & Co. and Parker-Hannifin Corp. Because the earnings of such companies

typically fall as the economy slows, a move by the Fed to extend the economy's growth by lowering interest rates could greatly improve their prospects.

But there is also great risk in relying on lower rates to keep the prices of cyclical stocks moving up. While the Magellan fund's huge size gives Mr. Vinik a certain ability to

make self-fulfilling prophecies, his influence on Alan Greenspan and company is less of a

certainty. There is no better example of Mr. Vinik's ability to move markets than his bet on technology stocks, which have been on a rally for several years. As he began putting increasing amounts of Magellan's cash into technology stocks beginning in late 1992, other mutual funds and institutional investors have followed his lead.

The two big sector bets together leave the Magellan fund open to the possibility of a double whammy if, for example, the weakness in the dollar dissuades the Fed from lowering rates, undermining his cyclical-stock argu-ment, while technology stocks cool. Mr. Vinik offered no apologies for his out-

look, which he admitted flew in the face of reason if the economy is indeed taking a

"How can you own cyclical stocks when the economy is slowing down?" he asked rhetorically during a speech to subscribers to Worth magazine, a financial monthly published by a unit of FMR Corp., parent of the Fidelity mutual funds.

He answered with his rate-cut prediction.

"As bullish as I am on technology stocks right now, I think the best opportunity in the U.S. stock market is in cyclicals." Mr. Vinik said. While companies such as Caterpillar have reported huge earnings gains, "most people think this is the top of the cycle," he continued,

adding, "I think we're going to have a pause and then they're going to take off again."

If he's wrong, of course, the Magellan fund could be in for a rough stretch.

### By James Brooke

RIO DE JANEIRO - Discarding a once-cherished nationalist symbol, Brazil's Chamber of Deputies has voted to end the state oil monopoly that dates from 1953.

tional amendment, which still doso's seven-party alliance, is faces three more congressional expected to approve all the news media have become votes, foreign oil companies amendments by September.

and to drill for oil in Latin America's largest country. With the vote Wednesday

night. Brazil's new president, Fernando Henrique Cardoso, has won victories in Brazil's lower house for each of the five free-market amendments he proposed this year.

The Senate, which is more Under the proposed constitu- tightly controlled by Mr. Car-

monthlong marathon of votes in the lower house. Angry unionists shattered

Brazilian Lower House Votes to End Oil Monopoly

glass doors of the Congress in Brasilia on Wednesday and stormed visitors' galleries. On the floor, leftist members of Congress paraded defiantly, cloaked in the green, yellow and blue colors of Brazil's flag.

Even as public opinion and

easily the most sensitive of the last stand in May with a month- supplies only half of the nalong strike that finally coltion's oil needs. Of the seven lapsed last Saturday. Mr. Carcountries in the world where the doso refused to give in to the production of petroleum is han-strikers' demands that he with-dled by a state monopoly, Bradraw the amendment.

> In the early 1950s, General Leonidas Cardoso, Mr. Cardoso's father, rallied Brazilians to the nationalist cause under the cry, "The oil is ours."

zil is the only one that imports oil. Still, Petrobras fought the

With Brazil's economy expected to expand by 6 percent But four decades and \$80 bil- no hope of making Brazil selfvotes, foreign oil companies amendments by September. increasingly skeptical of the lion in investment later, Brazil's sufficient before the turn of the would be allowed to explore. The oil monopoly vote was monopoly, oil workers made a state oil company, Petrobras, century.

### Leeson Extradition Is Likely

Compiled by Our Staff From Dispatches

FRANKFURT - Nicholas Leeson's chances of avoiding extradition to Singapore appeared slim Thursday after a German court accepted a judge to determine whether he is willing to be 12-count warrant accusing him of fraud and forgery in the collapse of Barings PLC.

"All in all, I don't see any chance of him fighting extradition at this stage," said Hans-Hermann Eckert, a senior state prosecutor. "It's a watertight case." If Mr. Leeson is extradited and found guilty,

he would face a prison sentence of as long as 14

The Hesse state superior court ruled Wednesday that all 12 of Singapore's charges — which concern Mr. Leeson's alleged attempts to keep his trading activities afloat before he fled the country - were crimes under German law, the main criterion for accepting them as grounds for

Mr. Leeson, 28, was arrested March 2 at Frankfurt Airport. He had been head of Barings Futures in Singapore and is blamed for amassing

The court previously accepted just one charge in support of Singapore's extradition request. Mr. Leeson is to be questioned by a German

extradited. If not, the German government ulti-mately will have to decide whether to send him to Singapore for trial. Mr. Leeson has been hoping to be sent to Britain to stand trial. But British authorities have

Mr. Eckert said Mr. Leeson would probably remain in Germany until at least the autumn, because of what is expected to be a protracted

not sought to have him returned.

legal battle.

Barings was rescued from failure by the Dutch bank International Nederlanden Groep. The new charges approved by the court include three more counts linked to the original

charge, which related to allegations Leeson ordered the transfer of \$80 million from a Barings customer account to his own trading account. He then allegedly forged documents to create

a fictitious deal with the Wall Street firm Spear, Leeds & Kellogg to obtain funds from the inter-

over \$1 billion in losses.

Mr. Leeson has been accused of four counts of forgery, two counts of fraud to the disadvantage of Barings Futures in Singapore and six counts of fraud to the disadvantage of Singapore trading authorities.

Lector & Reinggli to Whath Tuttles Troit the Internal customer account.

Mr. Eckert said other charges approved by the court deal with the illegal transfer of funds within Barings, and six charges cover allegations of fraud to the disadvantage of Singapore trading authorities.

#### Japan Pacific Fund

Luxembourg, 11, rue Aldringen R.C. Luxembourg n° B 8340

#### Avis de convocation

Mesdames et Messieurs les Actionnaires sont convoqués par le présent avis à l'Assemblée Générale Extraordinaire et à l'Assemblée Générale Statutaire de notre Société, qui ont lieu le 21 juin 1995 à 11.30 et à 15.30 heures respectivement au siège social avec les ordres du jour suivants:

#### Ordre du Jour de l'Assemblée Générale Extraordinaire

Modification des articles 5 et 20 des statuts de Japan Pacific Fund afin de remplacer respectivement les termes «dollars des Etats-Unis d'Amérique» et «US Dollars» par «yens

Modification des statuts par suppression de la fin de la phrase du troisième alinéa du point (d) de l'article 16 pour

«La valeur Nette des actions de la société qui s'exprimera par une valeur par action sera fixée en divisant au jour d'évaluation les avoirs nets consolidés de la société constitués par leurs avoirs moins leurs engagements consolidés par le nombre des actions émises.»

Modification des statuts par suppression de la fin de la phrase du premier alinéa de l'article 17 pour lire comme «En cas d'émission d'actions nouvelles, le prix auquel pareilles actions seront émises, ne pourra être inférieur à la

Les décisions concernant tous les points de l'ordre du jour requièrent un quorum de 50% au moins des actions en circulation. Elles seront prises à la majorité des 2/3 des actions présentes ou représentées à l'Assemblée. Chaque action donne droit à un vote. Tout actionnaire peut se faire représenter à l'Assemblée.

#### Ordre du Jour

de l'Assemblée Générale Statutaire

Présentation du rapport de gestion du Conseil d'Administration et du rapport du Réviseur d'Entreprises. Approbation des comptes arrétés au 31 mars 1995 et fixa-

tion du dividende. Décharge aux Administrateurs.

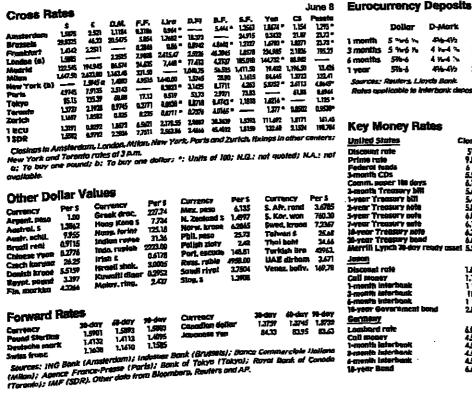
Ratification des cooptations de Messieurs Hitoshi Ishihara et Yuii Shirakawa comme Administrateurs en remplacement de Messieurs Taro Yamada et Yasuo Kanzaki.

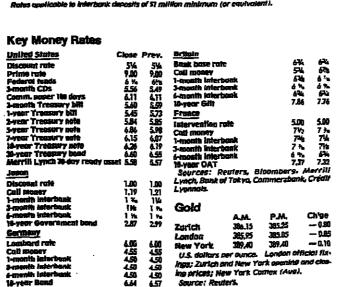
Réélection de la Financière et Immobilière S.A., de la Compagnie Financière de CIC et de l'Union Européenne. de la Caisse de Dépôts et Consignations, de GAN-Vie, de Monsieur Marcel Giuglaris et de Monsieur Hitoshi Ishihara comme Administrateurs pour un nouveau terme de trois ans, jusqu'à l'Assemblée Générale Statutaire de 1998.

Les décisions concernant tous les points de l'ordre du jour ne requièrent aucun quorum. Elles seront prises à la simple majorité des actions présentes ou représentées à l'Assemblée. Chaque action donne droit à un vote. Tout actionnaire peut se faire représenter à l'Assemblée.

Le Conseil d'Administration







6¼-6¾ 6½-6¾

### U.S. Auto-Parts Firms Find Japan Sales Outlet

SAN FRANCISCO - U.S. auto-parts makers and Japan's leading carmakers tried to do business at an industry conference Thursday despite the face-off between their governments over U.S. access to the Japanese auto-parts market. The sales presentations came as Washington offered to hold "substantive" talks with Tokyo in the dispute during the Group of

Seven summit meeting in Canada next week.

The U.S. trade representative, Mickey Kantor, announced the offer in Washington on Thursday, but he said Japanese officials

had been unwilling to commit to such talks.

Washington has announced sanctions against specific Japanese luxury cars after failed talks over its demand that Tokyo increase imports of American autos and auto parts. Both sides have turned to the World Trade Organization in the dispute.

At the auto parts sales presentations, sellers and buyers avoided mention of the issue. Fred Engle, who sold Delphi Automotive Systems door inserts to Honda Motor Co., Mitsubishi Motors Corp., Mazda Motor Corp. and Isuzu Motors Ltd., said the meetings had not been affected by

the trade tension, "Everybody's been very receptive," he said. But not everyone glossed over the issues underlying the trans-Pacific standoff. Chris Bates, director for foreign trade of a U.S. parts manufacturers group, said that while substantial progress had been made in recent years, Tokyo still clung to regulations that severely limited use of U.S. replacement auto parts.

(Bloomberg, Knight-Ridder)

#### Very briefly:

Continue of the second

#### Rockefeller Center Denies Control

NEW YORK (Bloomberg) — Shareholders of Rockefeller Center Properties Inc., which holds a \$1.3 billion mortgage on the bankrupt Rockefeller Center, on Thursday denied Goldman. Sachs & Co. control of the company.

By a wide margin, shareholders voted down a proposal to waive

a 9.8 percent limit on the stake that any one shareholder may own. The move blocks Goldman Sachs's Whitehall Street Partnerships from converting its warrants and stock appreciation rights into an equity stake of 19.9 percent in the company. The Goldman partnerships received the securities in exchange for a \$225 million investment in the company in December.

#### Suit Accuses Grace of Tax Evasion

WEST PALM BEACH, Florida (Bloomberg) - W.R. Grace & Co. set up a reserve fund that it used to avoid paving federal taxes owed by its health-care unit, the company's former audit chief has alleged in a lawsuit.

Norman Eatough, fired from his position last year, said the

company's National Medical Care Inc. subsidiary failed to declare income set aside in the fund. The accusation was made in an age-discrimination suit filed in U.S. District Court here.

• United States Shoe Corp.'s president and chief executive has resigned, less than a month after his company was acquired by Luxottica Group SpA, an Italian eveglass frame maker.

• UAL Corp., the parent company of United Airlines, is transferring 245 maintenance jobs to Indianapolis this month as part of a 10-year plan to eliminate 2,000 positions at San Francisco International Airport.

### Lotus Bid Brings Out Speculators

By Peter Truell New York Times Service

NEW YORK - IBM's hostile bid for Lotus Development Corp. has buoyed the spirits of the professional investors known as arbitragers, who seek to profit from mergers and takeovers. Arbitragers are snapping up shares of Lotus in anticipation of a higher bid for the software com-

Lotus's share price has soared since International Business Machines Corp. announced its \$3.3 billion bid, closing Thursday at \$63.50 - well above the offer price of \$60 a share. The arbitragers, or arbs, are clearly betting on a higher bid.

"This could very well be the deal of the

ar for the arb community if there's a bidding war," said Eric A. Longmire, director of research at Wyser-Pratte & Co., a money management concern and a big

arbitrage investor. Even if IBM does not pay more, many arbitragers are betting that Lotus's best defense has to be to find another, probably

I would assume the search is on to find a third party," said Peter Schoenfeld, vice chairman of Wertheim Schroder & Co. Several arbitragers quickly rattled off a familiar list of other bidders that might be interested in Lotus. AT&T Corp., Hewlett-Packard Co. and Oracle Systems Corp. are among the potential suitors.

The interest in Lotus among profession-

volume of the company's stock as institutions and individual investors have taken profits on their holdings and sold, often to arbitragers who typically manage tens or hundreds of millions of dollars. On Monday, the day IBM announced its bid, as many as 29.8 million Lotus shares traded. on Tuesday 9.5 million Lotus shares changed hands and Wednesday trading

The arbitragers have found many willing sellers: Those who held Lotus shares are pleased to realize profits of as much as 100 percent and more. Last week shares of Lotus traded at around \$30.

volume totaled 6 million.

The institutions have been selling," The interest in Lotus among profession-al investors has helped raised the trading want their safe out."

### Spectra Vision Files Under Chapter 11

WILMINGTON, Delaware - SpectraVision Inc., a provider of in-room mov- \$25 million in order to hold onto 31.5 ies for hotels that emerged from bankruptcy in late 1992, filed for Chapter 11 protection Thursday in a U.S. bankruptcy

The company, based in Richardson, Texas, lost \$254 million last year and has continued to stagger under a long-term debt load of \$546.4 million, which includes bonds issued in the last reorganization.

likely to lose his stake in SpectraVision the normal course of business.

entirely in this bankruptcy. In the last restructuring, Mr. Davis put up another percent of the company.

In recent restructuring talks, SpectraVision has proposed giving the company's common stock to bondholders and Electronic Data Systems Corp., a creditor.

A company spokesman said SpectraVi-sion had filed for Chapter 11 protection so that it could obtain debtor-in-possession Marvin Davis, the investor who bought financing to run the company while it the company in 1989 for \$60 million and negotiates with its creditors. It will seek financing to run the company while it the assumption of \$700 million in debt, is court approval to pay its trade creditors in

Foreign Exchange

His comment came a day after Bundes-

bank President Hans Tietmeyer fueled ex-

pectations of a German rate cut when he

said the central bank's next move would

Wednesday that the chances of a severe

Credit Bank of Japan in New York.

not be to raise interest rates.

The total owed to outside creditors was not apparent from the Chapter 11 petitions filed by SpectraVision and its four units because the listed assets and liabilities included a mixture of bond and trade debt and inter-company debt. SpectraVision listed assets of \$512 mil-

lion and liabilities of \$521.7 million. SpectraVision supplies in-room, pay-

per-view entertainment and information services to hotels in the United States, Canada, Mexico, Australia, the Caribbean and the Pacific Rim.

The company said its Canadian and Hong Kong operating companies would be unaffected. (Bloomberg, AP)

### Dollar Slumps as German Rate-Cut Hopes Fade

NEW YORK - The dollar slumped against the Deutsche mark on Thursday after remarks from Bundesbank Vice President Wilhelm Gaddum dampened expectations that the German central bank would lower interest rates soon.

Speaking at a conference in Frankfurt. Mr. Gaddum said that while the stronger mark was "lightening the pressure on pro-ducer prices," he "wouldn't go so far as to say inflation isn't a risk anymore."

The dollar closed in New York at 1.4083 Deutsche marks, down from 1.4144 DM on Wednesday, and at 84.645 yen, down from 84.900 yen. It also fell to 1.1615 Swiss francs from 1.1642 francs and to 4,9515 French francs from 4.9675 francs. The pound fell to \$1.5965 from \$1.5895.

He added that the Bundesbank would

economic downturn in the United States not let its policies be dictated by market expectations of an interest rate cut. had "decreased very significantly." "Mr. Gaddum's comment that the

The dollar rose to a four-day high of 1.4236 DM in Asia in the wake of the Bundesbank should not be too quick to satisfy the market's call for a rate cut" central bankers' remarks. But investors who had bet the U.S. currency would exweighed on the dollar, said Dennis Pettit, tend its gains reversed those wagers after the momentum of the dollar's rise faded early in Europe, analysts said. foreign exchange manager at Long-Term Traders said Mr. Gaddum's comments

had dispelled expectations of a German rate cut at the next meeting of the central bank's policy-setting council Wednesday.

The dollar's decline was stemmed by concern that officials from the Group of Seven leading industrial nations could come up with plans to shore up the U.S. currency when they meet in Halifax. Nova Scotia, for three days starting Thursday. al Reserve Bank in Philadel-(Bloomberg, Reuters) phia, was more upbeat.

High Low Close Pres.

8.65 9 13.90 0.98 9.95 4.66

### FED: Leaders Differ Over Dangers

Continued from Page 13 ment the other way --- probably as he intended

pect a recession, he said economic growth had slowed from the 2.7 percent annual rate of the first quarter.

"There's some worry that it will be an excessive slowdown."

#### U.S. Stocks

"and that's exactly what I mean about downside

had been betting on lower interest rates. But they took heart cause a recession.

Thursday and stabilized with the release of the weekly report on new claims for unemploythe general trend leveling off.

ported 372,000 new claims in ported from New York. The Dow Jones industry cline from the 379,000 of the erage closed down 3.46 points, week before, a figure that itself at 4,458.57, with decliners edgwas revised downward by ing advancers 11-to-10.

10,000. The four-week moving Philip Morris pulled the Dow 10,000. The four-week moving average of new claims was average of new claims was down closing down 1% at 71%, 374,500, admittedly about following a New York Times 10,000 higher than a month ear-report on what it described as lier but only 1,000 worse than previously undisclosed research the previous week's revised

numbers disturbing in any smokers. way," said Robert Brusca, a chief economist Nikko Securities Co. "It plays right into Greenspan's hands."

The long-distance exchange between Mr. Greenspan and Mr. Blinder capped a day of public statements by other Fed mittee next meets July 5 and 6

Kelley Jr. described the econo- span's comments. my as strong but said recent declines in auto sales were down the bond market, with the "scary" and job losses in May price of the senchmark 30-year had been worse than expected. By contrast, Edward G. Boehne, president of the Feder-

The argument between the Republican Mr. Greenspan and the Democratic Mr. Blinder

[Mr. Blinder reiterated his turns on the question of whether the economy is pausing to Knight-Ridder news service reduce inventories before resuming growth later in the year though he said he did not exlose confidence, and thus possibly tipping into a recession? Mr. Greenspan argued that

the slowdown in the current quarter was caused by a buildup of goods in manufacturers' warehouses and on retailers' shelves. But he said that excess was natural in light of the ordering spree that went on during excessively high growth last Mr. Greenspan's remarks ini-tially sent a chill through the buildup of inventory as "still bond and stock markets, which rather modest," saying it was very unlikely that it would

Stocks drifted lower Thursment, which revised previous day, after a decline in the bond figures downward and showed market and as traders awaited the May producer price report . The Labor Department re- due Friday, news services re-

The Dow Jones industrial av-

that indicated that the company had found that nicotine affects moving average. had found that meetine affects
"I don't find the current the brain, body and behavior of

But shares of semiconductor and software companies continued to rally amid optimism that demand for their products will remain strong no matter how the economy fares. Intel rose 11/16, to 113 13/16.

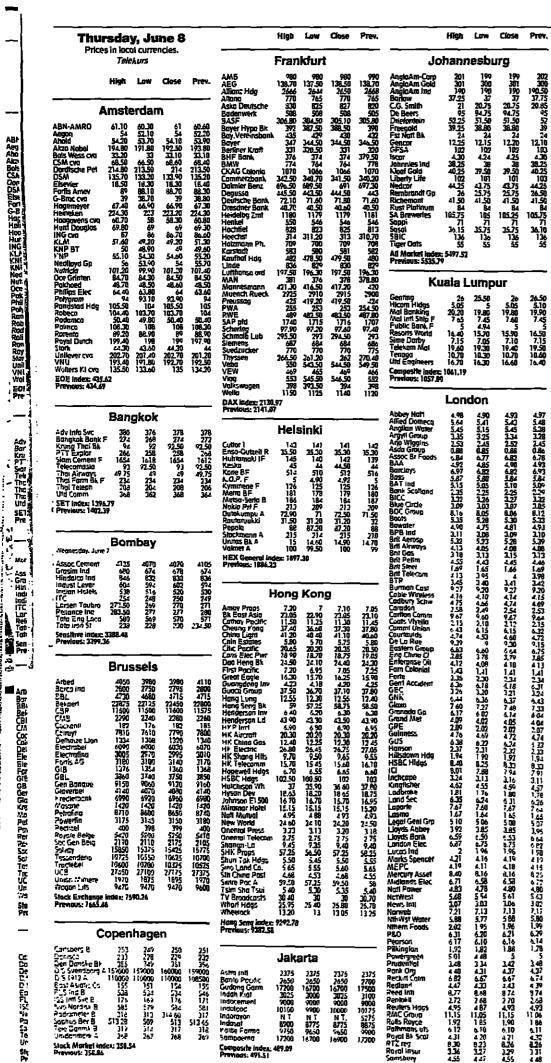
"People are consuming more officials that give a fairly strong technology every single day," clue to the likely debate when said Charles Crane of Spears. the Federal Open Market Com- Benzak, Salomon & Farrell Inc.

But the technology issues' to discuss monetary policy for gains issues were offset by con-the second half of this year.

Fed Governor Edward W. of it sparked by Mr. Greencern about the economy, much Those concerns dragged

Treasury bond falling 24/32, to 113 6/32, lowering its yield to 6.60 percent from 6.55 percent Wednesday. (Bloomberg, Reuters)

#### Mr. Tietmever's comments, along with remarks from Federal Reserve Chairman Alan Greenspan, drove the dollar higher in Asian trading. Mr. Greenspan said late



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Investor's Europe

### Telkom Spruces Itself Up Job Cuts Trim Its Loss Ahead of Privatization

BONN - Deutsche Telekom AG, a year before its scheduled sale to investors in what would be Europe's largest initial public offering so far, said Thursday that it slashed losses in 1994 by cutting jobs and wiring up more than 1.2 million new customers in the former East Germany.

The company predicted a "considerably improved" result for this year as early retirements accelerated and as it opened I million more lines in the East, for a total of 4.5 million since 1990.

The company said it expected 10,000 more jobs to be eliminated this year, reducing its work force to 215,000. It plans to reduce overall staffing from 225,000 to 170,000 by 2000.

Its net loss shrank to 300 million Deutsche marks (\$212.1 million) in 1994 from 1.6 billion DM in 1993. Excluding 1.6 billion DM in losses carried forward from previous years, Deutsche Telekom said it made a pretax profit of 1.3 billion DM.

The state-held phone monopoly said it received nearly 16 billion DM in loans from the government in 1994 and returned 5.2 billion DM in payments to the government.

Any way you look at it, Deutsche Telekom is one of the most profitable companies in Germany," said Peter Hasler, an analyst with Bayer-ische Vereinsbank AG.

Chief Executive Ron Sommer, the former president of Sony Corp.'s European operation who was hired in March, forecast sales would rise about 6 percent this year, to 64 billion DM, as cost-cutting continued and more customers came on line in Eastern Germany.

The government plans to sell the first shares in the phone company next year, possibly in late spring. Joachim Kroske, chief financial officer, said he expected the sale to begin "shortly before the summer pause" in 1996, after financial results for another year are assessed.

The government decided last year to sell Deutsche Telekom. It hopes to raise 4 billion DM in the first sale of shares and eventually to bring in 15 billion DM from stock sales on German and international markets.

Mr. Kröske said the company was working with the U.S. Securities and Exchange Commission to adapt its procedures to reflect international accounting standards that would permit a sale of shares on the New York Stock Exchange. For the first time ever, Mr. Sommer said Deutsche Telekom financed its investments last

year solely from cash flow from business activities, which reached 22 billion DM.

The company's revenue rose 3.7 percent, to 61.2 billion DM, in 1994.

#### High-Tech Unit Lifts Johnson Matthey Profit

Compiled by Our Stoff From Dispatches LONDON - Johnson Matthey PLC on Thursday posted a 46 percent increase in pretax profit for its latest year, helped by a strong performance from its materials technology division.

The metal-refining company and electronics maker said profit rose to £95.4 million (\$151.7 million) as sales rose 11 percent, to £2.18 billion, in the year ended March 31.

The materials technology division's earnings rose 52 percent, to £42.3 million, with most of the gain coming in its worldwide electronic materials business

and its chemical operations. The company said the two joint ventures it launched during the year, Cookson Matthey Ceramics and Ryoka Matthey, were performing well. But the results included a £700,000 one-time charge for restruc-

turing the ceramics venture. (Bloomberg, AF%)

### 3i Posts 13% Return, **But Its Shares Drop**

Compiled by Our Staff From Dispatches LONDON - 3i Group PLC, Europe's biggest venture-capital company, said Thursday that total return for its shareholders for the latest year rose that they would sell the shares 13 percent, to £239 million at some point.

(\$380 million). from £357 million, including the establishment of a Eurofund that has invested in 50 businesses on the Continent.

"We are concentrating on the main economies in Europe: are not moving into Eastern Europe, and we're not opening up anywhere else at the moment."

The net asset value of the company's portfolio grew 10 percent last year, to 346 pence a share, as economies in Britain and on the European continent grew. The amount was lower than analysts expected, however, and shares in 3i fell 4 pence,

The 3i results came as the Bank of England and three oth-

sell 122 million of their 3i shares next week, representing a 20.9 percent stake in the company. The banks announced in May

The Bank of England will sell The company said it in-its entire 6.6 percent stake. creased the amount of funds it Lloyds Bank PLC will sell its had invested to £440 million entire 9 percent stake. Barclays PLC will lower its stake to 5.5 percent from 8.2 percent, while Midland Bank, a division of HSBC Holdings PLC, will lower its stake to 5.3 percent from

France, Germany, Italy and Spain," said Ewan Macpherson, the chief executive. "We not sell any of their holdings. Two other banks, National Westminster PLC and Bank of Scotland PLC, said they would

The Bank of England and leading British banks owned 97 percent of 3i until last year, when they sold nearly half of their holdings as part of a plan to publicly float the shares.

Commercial Finance Corp. in 1946 by Clement Attlee. Its purpose was to create investment in small British businesses. It changed its name to Investors in Industry in the 1970s. (Reuters, Bloomberg, AFX)

### EU Currency Plan Fails to Win Fans

By Brandon Mitchener

FRANKFURT - The European Commission's report on monetary union got a chilly reception in the monetary capital of Europe on Thursday, with the Bundesbank absent from a presentation of the position paper and other bankers voicing skepticism.

Yves-Thibault de Silguy, the EU's economics commissioner who presented the so-called green paper, faced an uphill battle in making an untried European currency palatable to a largely suspicious German public.

Published last week, the

green paper contains the commission's technical suggestions on when and how to introduce a common European currency. But many of the German bankers and business people who heard Mr. de Silguy describe the process were more interested in whether they should replace the Deutsche mark with an untried Eurocur-

rency at all.

The European Monetary Institute, the forerunner to a European central bank, said it would have no official comment for weeks, while the Bundesbank, reserving official comment, let it be known that it had found the commission's position paper premature and potentially counterproductive.

"The potential for mistakes in the commission's proposals is enormous," said one local monetary source who spoke on condition of anonymity. In addition to criticizing the lack of an institutional discussion of the green paper before its publication, the source found fault with the commission's sense of urgency.

By pre-empting the EMU's recommendations and calling for a two-track introduction of a common currency starting in 1999. critics said, the commission sent the message that politicians rather than central bankers would be calling the shots in Europe's most ambitious project of the next decade.

Mr. de Silguv fended off such criticism by describing the commission's proposals as an "invitation to a dialogue" rather than a fait accompli. But moments later he said he was "deeply convinced" the commission's proposal was "the only possible scenario."

The commission foresees the introduction of a common European currency for use by central banks and major commercial banks as early as the beginning of 1997. Widespread use of the new currency for everyday transactions would begin

The Bundesbank, which managed the introduction of the Deutsche mark in Eastem Germany five years ago, has said it prefers to delay the introduction of a single European currency until it can be done all at once, in a "delayed big bang."

three or four years later.

### KLM Profit Soars, but Stock Falls

Compiled by Our Staff From Dispatches AMSTELVEEN, Netherlands - KLM Royal Dutch Airlines said Thursday that net profit in its last financial year more than quadrupled, to 470 million guilders (\$298.8 million), but the airline's stock fell sharply.

The carrier said increased passenger and freight traffic and lower costs had helped profit to soar in the year ended March 31.

But analysts had expected even better results, and the stock fell 2.10 guilders, to 49.20. KLM said it would pay a dividend of 1.50 guilders a share, its first payout in three years.

The airline said cost controls and promotions had allowed it to benefit from an improvement in the economy. Sales rose to 9.2 billion guilders from 8.7 billion guilders.

For the final quarter of the year, KLM reported a loss of 89 million guilders, narrowed from 156 million guilders a year earlier. Sales in the quarter rose 3 percent, to 2.2 billion guilders. KLM said it expected a

'slight improvement" in earnings for its current year. That statement implies a strong improvement in operat-ing profit," said Cees Haasnoot of Effectenbank Stroeve. "This

year, both wage costs and the tax burden will increase strongly." The company has paid no taxes for about three years be-

cause of its losses. The carrier saved about 218 million guilders by suspending payments into its pension fund for most of last year. (Reuters, Bloomberg, Knight-Ridder)

#### Frankfurt London FTSE 100 Index **CAC 40** 2150 2100<sub>1</sub> <sub>2050</sub> Ⅵ. 2000 3000 2900 J F M Exchange Thursday Close 434 FQ +0.21 EOE 435.62 -0.99 7,665,86 Brussels 7.590.26 Frankfurt 2,141,07 -0.47 DAX 2.130.97 Copenhagen Stock Market 358.54 358.86 -0.09 Heisinki HEX-General 1,897,30 · 1,886,23 +0.59 Osio 389.31 **#0.08** OBX 3,366,10 +0.44 London FTSE 100 3.380.80 Madrid 297.09 +0.36 Stock Exchange 298.15 9,984,00 -0.15 Peris 1,972.09 -1.06 1,740.16 Stockholm +0.19

#### Very briefly:

SPI

Vienna

Zurich

Western German consumer prices rose 0.2 percent in May from April and were up 2.2 percent from a year earlier.

Continental AG said its sales rose 5.4 percent in the first four months of the year, to 3.3 billion Deutsche marks (\$2.3 billion).

and that it expected its profit to rise this year. • Northumbrian Water PLC's pretax profit rose to £90.4 million (\$144 million) in the year to March 31 from £62.8 million in the

previous year as sales rose nealy 7 percent, to £318.2 million. • Volvo Bussar AB, the bus-building unit of Volvo AB, paid 740 million kronor (\$102.5 million) for Prevost Car Inc., a Canadian

• Italy's trade surplus narrowed to 6 trillion lira (\$3.66 billion) in

the first quarter from a surplus of 6.465 trillion lira in the yearearlier period.

• Tabacalera SA said tobacco sales rose 2 percent in May from a year earlier and said it expected its earnings this year to exceed the 11.04 billion pesetas (\$90.55 million) earned in 1994.

Reuters, AFP, Bloomberg, AFX, Knight-Ridder

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-0.44

### Pilkington Posts Loss After One-Time Charge

Compiled by Our Staff From Dispatches PLC said Thursday that a onetime charge related to its contact lens business pulled it to a

14% 89% 16 71% 40% 40% 14% 20 21% 14% 39%

44% 3% 2% 1% 10% 11% 26 8% 12

loss for the year to March 31. 3i was founded as Industrial Pilkington, which said sales and margins for its primary business of glassmaking rose worldwide, posted a loss of £248 milhon (\$394 million) for the year after writing down the value of its Visioncare unit, which the

While the entire unit has not yet been sold, Pilkington took a from £2.74 billion noncash charge of £375 million The company rai business in the late 1980s. The pence, to 188. company also took a one-time charge of £31 million for litiga- pressed by the results and were tion costs.

the company posted a profit of no impact on cash flow, borcompany plans to sell. The com- £144 million in the year, up rowings or shareholder funds.

Compiled by Our Staff From Dupotches pany posted a pretax profit of from £72 million the previous LONDON — Pilkington £97 million a year earlier. year. The company said overall sales slipped to £2.68 billion

The company raised its divito reflect the goodwill pay- dend to 4.2 pence a share from ments it made when buying the 4.0 pence. Its stock rose 10

Analysts said they were imnot concerned by the big write-Without one-time charges, off of goodwill because it had

year. The company said overall pressive, and the figures are a scrap better than we were going for," said David Taylor, building analyst at UBS Ltd.

> The company said its continuing operations showed "increasing strength in all areas, with margins on an upward trend, improving demand, increased capacity utilization and strong cash flow."

> > (Reuters, Bloomberg)

#### Currencies Will Cost LVMH Compiled by Our Staff From Dispatches

PARIS — LVMH Moët Hennessy Louis Vuitton SA said Thursday that currency fluctuations would shave about 8 percent from its earnings this year. although the luxury goods maker still expected to post higher

LVMH has had to raise prices in countries with weak currencies, such as the United States. The company also said its sales for the first four months of the year were up.

(Reuters, AFX)

#### AMEX U.S. STOCK MARKET DIARY

- 1900年代,1900年代 20 Bends
10 Utilities
10 Industriols

Tracling Activity
NYSE

Advanced
Declined
Unchanged
Total Issues
New Highs
New Lows

AMEX Close 1036 1160 781 2977 101 3 Prev. 898 1347 758 3003 113 10 Close Prev.
299 250
243 289
217 222
758 761
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Ald-Shi Insur
Mitchell Energy B
Muni Hi Income
Delta Indus
Mitchell Energy B
Muni Hi Income
Colomon Inc
Scientific Tech
Shared Medical
Trially Indus
Trially Indus
Trial A & Gy 1977
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Zeniz Income Fd
C-disa payoble - .13 6-22 6-30 - .11 6-22 6-30 - .084 6-12 6-71 - .12 6-14 6-22 - .25 6-12 7-3 - .25 6-12 7-18 of per ADR.

June 8, 1995 Hegh Low Clase Chae Opini Grains

CORN (CBGT)

5,000 bu markers and collers per busher

Jul 95 2,71 ½ 2,65 ½ 2,79 ½ 6,105 ½ 115,300

Sep 95 2,78 ½ 2,72 ½ 2,77 ½ 4,005 ½ 51,048

Dec 95 2,83 ½ 2,77 2,27 ½ 2,27 ½ 4,005 ½ 51,048

Dec 95 2,83 ½ 2,97 ½ 2,97 ½ 4,00 ½ 2,27,07

Mory 96 2,89 ½ 2,84 ½ 2,87 ½ 4,00 ½ 2,27,07

Mory 96 2,89 ½ 2,84 ½ 2,87 ½ 4,00 ½ 2,27,07

Mory 96 2,89 ½ 2,84 ½ 2,87 ½ 4,00 ½ 2,27,07

Mory 96 2,89 ½ 2,84 ½ 2,87 ½ 4,00 ½ 4,739

Est, soles N.A. Wed's, soles 7,4,316

More 96 177,70 172,10 175,00 177,20 1,00 10,076

Sep 95 177,20 175,70 177,20 1,00 10,076

Sep 95 184,00 181,10 182,50 1,00 1,366

Est, soles N.A. Wed's, soles 13,27 1

Wed's open int 82,996 off 12,99

SO'REAN OEL (CBOT)

8,000 bbs dollars per 100 bbs

Aut 95 2,70 2,6,15 2,5,30 1,01 1,3,05 1

Be 95 2,75 2,6,15 2,5,30 1,01 1,2,0 1 1,2,0 1

Dec 95 2,6,67 2,6,15 2,5,30 1,01 1,2,0 1 1,2,0 1

Dec 95 2,6,67 2,6,15 2,5,30 1,0 1,2,0 1 1,0,0 1

Be SO'REAN (CBOT)

Sub bb maintamm-boilers per busher

1,1 195 5,96½ 5,66 5,90 ½ 1,00 2,0 1 1,0,0 1

Be 50 Bb maintamm-boilers per busher

1,2 195 5,96½ 5,66 5,90 ½ 1,00 2,0 1 1,0,0 1

Mory 95 6,18 ½ 5,50 1,0 5,50 1,0 1,0 1,0 1,0 1

Mory 5 6,18 ½ 5,50 1,0 1,0 1,0 1,0 1,0 1

Mory 5 6,18 ½ 6,0 1,0 1,0 1,0 1,0 1

Mory 5 6,18 ½ 6,0 1,0 1,0 1,0 1,0 1

Mory 5 6,18 ½ 6,0 1,0 1,0 1,0 1,0 1

Mory 5 1,10 1,10 1,10 1,0 1,0 1

Mory 5 1,10 1,10 1,10 1,10 1,0 1

Mory 5 1,10 1,10 1,10 1,10 1,10 1

Est, soles N.A. Wed's, soles 13,3,37 1

Wed's open int 12,0 1,0 1,0 1,0 1,0 1

Mory 5 1,10 1,10 1,10 1,10 1,10 1

Mory 5 1,10 1,10 1,10 1,10 1

Mory 5 1,10 1,10 1,10 1,10 1

Mory 6 1,10 1,10 1,10 1

Mory 6 1,10 1,10 1,10 1

Mory 6 1,1 Livestock

CATTLE (CAMER)

49.00 lbs.- cerds per lb.
Jun 95 64.32 63.57 64.35

Aug 95 62.97 61.90 62.75

Der 95 63.95 64.00 64.05

Feb 96 64.90 64.85 64.70

Aug 96 65.65 65.40 65.62

Est. soles N.A. Wed's soles
Wed's open int 158.440 oft 338

FEEDER CATTLE (CAMER)
30.00 lbs.- cerds per lb.
Aug 95 67.32 66.45 66.95

Sep 95 66.85 66.17 66.42

Oct 95 66.85 66.17 66.42

Oct 95 66.85 66.17 66.42

Oct 95 66.85 66.17 66.42

Aug 95 67.06 66.42 66.85

Jun 96 66.45 65.97

Est. soles N.A. Wed's Soles
Wed's open int 12.286 up 74

HOGS (CAMER)

40.00 lbs.- cerds per lb
Jul 95 64.07 44.25 41.30

Dec 95 42.85 42.40 42.59

Feb 96 43.80 43.90 44.17

Aug 95 44.50 43.90 44.17

Aug 95 44.50 43.90 44.17

Dec 95 42.85 42.40 42.59

Feb 96 43.80 43.40 43.40 43.40

Est. soles N.A. Wed's soles
Wed's open int 12.475 41.35

Dec 95 42.85 42.40 42.59

Feb 96 43.80 43.40 43.41 43.41

Est. soles N.A. Wed's soles

Wed's open int 7.818 up 159

Est. soles N.A. Wed's soles

Wed's open int 7.818 up 159 + 0.27 + 0.38 + 0.05 + 0.10 + 0.65 2.155 Food
COCDA (NCSE)
10 mystric tons 5 per ton
Jul 75 1300 1235 129;
Sep 95 1229 1315 1325
Dec 95 1324 1354 1354
Mary 96 1393 1325 1344
Mary 96 1416 1416
Est soles 7,422 Wed's sole
Wed's spen int 80,253 up :
COFFEE C (NCSE)
37,900 lbs.- cents per to Jul 75 125 152,00
Dec 95 154,50 151,25 152,00
Dec 95 154,50 151,25 152,00
Dec 95 154,50 155,25 152,00
Mary 96 158,25 156,00 155,4
Mary 97 12,15 11,45 117,200 lbs.- cents per to Jul 75,00 155,4
Mary 96 10,24 10,00 154,4
Mary 96 10,24 10,00 10,11
Mary 96 10,24 10,00 10,11
Mary 96 10,24 10,00 10,11
Mary 96 10,00 9,22 9,55
Est soles 12,005 Wed's sole
Wed's open sril 120,050 cff 1295 1324 1359 1390 1410 5 soles up 71 151 70 153.85 155.45 157.95 5 sales off 17 · 1.55 15,984 · 1.20 11,754 · 0.20 5,090 · 0.35 2,489 11,708 11 88 10 12 9.89 9.95 5. 50fes

INTERNATIONAL FUTURES ENT BUND (LIFFE) Dec 95 pet Mar 96 95.05 95.12 — 0.30 May 96 96.67 96.63 — 0.31 Jul 96 GERMAN GOVERNMENT BUND (LIFFE) DM 250,400 - pts of 100 pc DM 20,000 - ps of 100 pcf
See 95.36 91.05 91.12 - 94.35
Est, volume: 141,962,0pen int.: 173,345.

TIALIAN GOVERNMENT BOND CLIFFE)
TIL 280 million - pts of 100 pcf
See 100.53 92.80 100.20 - 95.90
Dec N.T. N.T. 99.30 102.20 - 95.90
Dec N.T. N.T. 99.30 102.20 - 95.90
Dec N.T. N.T. 99.30 102.20 - 95.90
IALIAN GOVERNMENT BOND CLIFFE)
TIL 280 million - pts of 100 pcf
Low 116.54 116.30 116.46 - 116.50
Low 116.54 116.30 116.46 - 116.50
See 110.57 116.50 116.50 116.50
Dec 113.52 115.50 115.60 116.50
Est, volume: 186.572, Open int.: 166.819.
High Low Close Chee Or
EURODOLLAR'S (CAMER)
See 95 94.250 94.160 94.250 - 30 37
See 95 94.250 94.250 94.250 94.250 - 30 37
See 95 1.580 1.590 94.250 97
See 95 1.580 1.590 94
See 95 1.580 1.590 97
See 95 1.580 1.590 97
See 95 1.580 1.590 97
See 95 1.590 99,90 100,15 +0,15 104,00 104,80 +0,50 104,70 104,70 —0,05 106,50 106,80 —0,65 Wed's, sciles 7,715 23,702 up 1268 Metals

GOLD (NCMX)

100 hrs. vz. - dollars per hroy oz.
Jun 95 387.00 386.00 387.10
Jul 95
Aug 95 387.00 386.00 387.10
Jul 95
Aug 95 389.70 388.10 389.50
Oct 95 393.00 392.00 392.80
Dec 95 393.00 392.00 392.80
Dec 95 393.00 392.00 392.80
Jun 96
Est. soles N.A. Wed's soles 28.519
Wed's open int 170.19N off 697
HI GRADE COPPER (NCMX)
S.000 ton. - cents per b.
Jun 95 131.15 131.25 132.85 -1.85
Aug 95 131.75 131.75 131.75 131.75
Aug 95 131.75 131.75 131.75 -0.80
Sep 95 130.90 129.30 129.50 -1.25
Dec 95 126.70 125.75 125.75 -1.05
Jun 96 121.85 122.85 122.85 -0.95
Mar 96
Aur 96
Aur 96
Aur 96
Aur 96
SILVER (NCMX)
S.000 ton. - cents per key ez.
Jun 95
SILVER (NCMX)
S.000 ton. - cents per key ez.
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Jun 96
SILVER (NCMX)
S.000 ton. - cents per key ez.
Jun 96
SILVER (NCMX)
S.000 ton. - cents per key ez.
Jun 96
SILVER (NCMX)
S.000 ton. - cents per key ez.
Jun 96
SILVER (NCMX)
S.000 ton. - cents per key Est. soles 68.089 Werd's, soles 76.437
Werd's open inf 335,819 up 2978
NATURAL GAS (NMER)
10.000 mm but's, sole mm but
10.000 mm but's, sole 1.870 1.870 4.777 4.25,
10.000 mm but's, sole 1.870 1.870 4.20,
10.000 mm but's, sole 1.870 1.870 4.10,
10.000 mm but's, sole 2.4,
10.000 mm but's, sole 47.732 15,780 16,796 10,463 6,310 1,589 ESI, SORES 1.4. WEGU, SORES 10,000 Weg's Open Int 68,856 up 762 SWISS FRANC (CMER) SPECIAL SORES 10,000 Long 15 LONG 15 SPECIAL SORES 10, Mar 91.22 91.86 91.

Sep 95.41 95.41 95.

Sep 95.41 95.41 95.

Dec 95.39 95.41 95.

Sep 95.41 95.41 95.

Mar 95.29 95.41 95.

Mar 95.29 95.41 95.

Mar 95.20 95.46 96.

Mar 95.20 96.

Mar 95.20 96.

Mar 96.20 96.

Mar 96.20 96.

Dec 95.34 97.

Dec 95.34 97.

Dec 95.34 97.

Dec 95.36 97.

Sep 97.77 97.

Mar 96.20 97.

Sep 97.77 97.

Sep 97.

Sep 97.

Sep 97.

Mar 96.08 97.

Sep 97.

Mar 96.

Sep 97.

Mar 96.

Sep 97.

Mar 96.

Sep 97.

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Sep 97.

Sep 97.

Mar 97.

Sep 97.

Sep 97.

Sep 97.

Sep 97.

Mar 96.

Sep 97.

Mar 96.

Sep 97.

Sep 97 Financial

UST. BILLS (CMER)
\$1 milton- pts of 100 pct.
\$2 milton- pts of 100 pct.
\$2 milton- pts of 100 pct.
\$2 milton- pts of 100 pct.
\$3 milton- pts of 100 pct.
\$4 milton- pts of 100 pct.
\$4 milton- pts of 100 pct.
\$4 milton- pts of 100 pct.
\$5 milton- pts of 100 pct.
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\$5 milton- pts of 100 pct.
\$6 milton- pts of 100 pct.
\$6 milton- pts of 100 pct.
\$6 milton- pts of 100 pct.
\$7 milton- pts of 1 Stock Indexes

SEP COMP. INDEX (CMER)

500 x index.
Jun 95 535.00 531.80 531.80 —1.45150,486
Sep 95 538.75 538.90 538.90 —1.85 87,926
Dec 95 542.10 542.00 541.90 —0.25 8,949
Est. soles N.A. Wed's. soles 96,164
Wed's open int 246.212 up 8464
Wed's open int 246.212 up 8464
FTSE 186 (LIFFE)
DS per index point
Jun 3400.0 3370.0 382.0 —2.0
Sep 3422.5 3390.0 340A.5 —2.5
DEC N.T. N.T. 301.0 —2.0
Est. volume: 22,648. Open int. 80,119.
CAC 49 (MATIF)
PF300 per index point
Jun 1972.00 1945.00 1944.00 —77.00
Sep 1994.00 1945.00 1944.50 —27.00
Sep 1994.00 1946.50 1946.50 —27.00

INTERNATION OF THE PROPERTY O

Wed's open int 179,040 up 3269
US TREASURY BONDS (CBOT')
Id pci-s 100,000 pris 3 prints of 100 pcil:
Jun 95114-23 114-08 114-11 = 1
Sep 95 114-12 113-28 114-01 = 1
Dec 95 113-29 113-13 113-19 = 1
Mar 96 113-12 113-03 113-05 = 1
Est. soles 300,000 Wad's soles 3
Wed's open int 431,874 up 9775
LONG GRLT (LUPPE)
ISB,000 - pt \$ 230ds of 100 pcf
Jun 106-25 107-24 107-79
Sep 106-11 107-05 107-12
Dec NLT. NLT. NLT. 164-79
Est. volume: 97,877. Open int. 125,494 0.30 43.347 0.03 30.906 0.04 22.775 0.06 7,699 10,159

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Music Channels Enlist Big Allies

Compiled by Our Staff From Dispatches BEIJING - China announced details of its yearly round of bidding for oil-exploration tracts Thursday, in a crucial test of Western companies' patience after lackluster results

in the previous two rounds. Wang Tao, president of China National Petroleum Corp., said the 1995 round would officially open Friday for 12 blocks covering 112,739 square kilometers (45,096 square miles) in the Tarim and Junga basins in Xinjiang Province.

#### Beijing Fines Firm for Using A U.S. Name

BEIЛNG - A court has ruled that China's capital has room for only one U.S.A. California Beef Noodle King, the official Legal Daily said Thursday. The Intermediate Peo-

ple's Court ruled in favor of U.S. Hongli International. which had filed suit over infringement of its trademark. The court ordered Bei-

West City Xingyan. which was using the American chain's name and had only slightly altered its logotype, to stop using the trademark and to pay Hongli 99,390 yuan (\$12,000) in damages and legal costs.

Beijing West City also

was ordered to apologize publicly for trespassing on the name, the daily said.

Theft of intellectual property in China has caused friction in its trade relations with the United

"This bidding will be very promising in terms of exploration," Mr. Wang said. Foreign companies will have

the option of buying data packages for the separate blocks between June 19 and Aug. 31, af-ter which the actual bidding will Oil companies' interest in the

Tarim Basin, once called the Saudi Arabia of the Orient. has fallen off because of the cost of operating in harsh desert conditions and the potential problem of transporting crude oil if it is

Official Chinese estimates put total reserves in the Tarim Basin at more than 70 billion

The three companies that took up options in the Tarim in 1993 — British Petroleum Co.; Esso AG, the German unit of Exxon Corp., and the Italian state company Agip SpA—have yet to produce a drop of oil. The response to this year's offer will reflect the extent to which international interest in the area has dwindled.

Under terms offered by China, the foreign companies bear 100 percent of the exploration risk, but China National Petroleum reserves the right to a 51 percent stake if oil is found.

Officials from foreign companies said privately that the blocks did not look much better than in the two previous years.

"They are worse than we expected," said a geologist with a major oil company. They are in the most remote areas of Tarim Basin, for instance, and would have to produce a huge field to be commercially viable

"We're definitely interested." said Scott D. Urban of Amoco Orient Petroleum Co. "These blocks are close to known oil

HONG KONG - Peter Jamieson, MTV's man in Asia, circled warily around his arch-rival, Don Atyeo, general manager of the music service Channel V.

By Richard Covington

Special to the Herald Tribune

"Don has lambasted MTV Asia for being about as local as McDonald's." Mr. Jamieson said at a recent Asian music market and conference here. "I'll bet Channel V was a lot closer to a Big Mac than rice congee when it started a year ago. Yes, we are vulnerable, but it won't help either of us being publicly derogatory. We need time, and we need

Ignoring the olive branch, Mr. Atyeo of Channel V just grinned, pursing his lips disapprovingly at the barrage of video clips rounding out Mr. Jamieson's

MTV Asia, controlled by Viacom Inc. of the United States, is locked in a bitter fight with Channel V, which is controlled by News Corp., the Australian media giant run by Rupert Murdoch. In their battle over a market of more

than I billion potential viewers under age

25, the two music channels have enlisted major record companies as allies. In some instances, these alliances are at odds with similar partnerships elsewhere in the world. In Britain, for instance. News Corp. has a stake in the Nickelodeon channel, which is run by

MTV Networks. MTV Asia's two new channels - a pan-Asian service in English beamed from Singapore and a Mandarin-language one broadcast from Taiwan - are run by a joint venture between Viacom and Polygram NV of the Netherlands.

Warner Music International.

Those four companies are major shareholders in Viva, MTV Europe's principal sure our record company partners would rival. Viacom charges that they are with want us to flog their big names, but they holding music videos from MTV Europe.

The same battle could be set to take place in Asia: Sony Pictures Entertainment (Japan) Inc., Warner Music Group. EMI Music Ltd. and BMG Ariola Musik

MTV Asia, controlled by Viacom Inc., is locked in a bitter fight with Channel V. controlled by News Corp., the Australian media giant.

GmbH, a unit of Bertelsmann AG, have invested about \$50 million for a combined 50 percent share in Channel V.

"We're watching the big four record companies invested in Channel V very closely to ensure they are not refusing videos to MTV," said William Roedy, president of MTV Networks International. "If they did deprive us of their videos, it would be a short-term gain at the expense of long-term losses."

Both music-video services strenuously denied favoring their respective partners. We were forced into the venture with PolyGram as a defensive measure

But in Europe, Viacom has filed an against the forces ranged against us," antitrust complaint with the European said Mr. Jamieson, the president of Commission against PolyGram, as well MTV's two Asian channels. "But it as Sony Corp., Thorn EMI PLC and would be death for us to play only Poly-

Gram artists." Mr. Atyeo of Channel V said, "I'm want us to flog their big names, but they have no creative control whatsoever on

our programming."

The record companies would gain little by sacrificing video exposure of their artists to squeeze a competing network. "Our self-interest is to have as many thriving music TV services as possible," said Paul Ewing, Southeast Asian regional director for Warner Music International.

MTV Asia was on the STAR TV network, Asia's biggest satellite broadcaster, until May 1994. The two companies broke off a two-and-a-half-year relationship af-ter a dispute over revenue-sharing and management control. News Corp., which controls STAR, decided to create a music channel of its own. Channel V was born.

After a year on the sidelines in Asia, MTV is back in the running with its Mandarin channel aimed at viewers in Taiwan, Hong Kong, Singapore, China and 16 other countries. A separate English-language channel reaches the Philippines and Indonesia.

MTV also broadcasts some programs in Korean and Hindi. All told, MTV Asia's programming reaches around 20 million homes in about 30 countries,

according to network figures.

The STAR network says it offers
Channel V free of charge to 220 million viewers in 53 countries in Asia and the Middle East. The service is tailored for three separate audiences and broadcast over independent satellite beams.

#### Investor's Asia Tokyo Singapore Straits Times Hong Kong Nikkei 225 Hang Seng 20000 2400 10000 1900G 2300 18000 *2200* 17000 2000 15000 1900 7000 Prev. Close Thursday Exchange 9,382.58 -0.96 9,292.78 Hong Kong 2,175.48 2,179.11 Straits Times 1,998.20 All Ordinaries Sydney 15,442.30 15,679.62 Nikkat 225 Tokyo Kunis Lumpur Composite ...... 1,051,19 1,057.80 1,402:39 1,396.79 Bengkok Composite Index 890.60 Seoul Strick Market Index 5,641.02 Tarpet 2,839.47 PSE Manila : 495.51 Composite Index 2,111.76 -0.02 211129 NZSE-40 3,389.32 -0.85 3,360.41 Sensitive Index

#### Very briefly:

• Goodwood Park Hotel Ltd. of Singapore said one of its subsidiaries, Royal Garden Hotel (Jersey) Ltd., would buy the five-star Royal Garden Hotel in London for 143 million Singapore dollars (\$102.7 million) from Rank Holidays & Hotels Ltd.

• United Communication Industry PLC applied to sell 22.7 percent of its cellular-phone network, Total Access Communication PLC. in an offering on the Singapore stock exchange.

 Hyundai Pipe Co. ordered a \$259 million cold-rolled steel sheet plant from a Japanese consortium led by Mitsui & Co. Analysts said the move would put the South Korean company among Asia's steel-industry leaders, pressuring Japanese firms.

• Hong Kong's export volume rose 18 percent in March from a year earlier, while imports grew 22 percent; import prices rose 5.2 percent, while export prices rose 3.3 percent.

Nikko Research Center Ltd., Daiwa Institute of Research Ltd. and Yamaichi Research Institute of Securities and Economics all lowered profit forecasts for Japan's biggest companies.

• Nikon Corp. plans to increase the amount of supplies it gets from overseas to 50 percent in the year ending March 31, 1997, from 20 percent; it has no plans to expand production abroad.

Reliance Industries Ltd., in a venture with Nynex Corp. of the United States, has applied for cellular-services licenses in all 20 of India's telecommunications regions.

• China's booming computer industry is expected to make products valued at 50 billion yuan (\$6.04 billion) this year, up 70 percent from 1994, according to the China Electronics News.

China developed two rockets, Long March III-B and Long March III-C; the larger one can carry satellites weighing as much AFP, AP, Bloomberg

#### Hanoi's First Treasury-Bill Sale Exceeds Forecast Khac Ke, director of the State interest rate of 1.7 percent a foreign bank branch and four joint-stock banks.

HANOI - Vietnam held its

sury bills Thursday, selling 83.6 gether with the State Treasury. billion dong (\$7.6 million) of the securities, 39 percent more than planned. The State Bank had aimed to

Some executives were hopeful. month bills, but banks demanded more. "It is successful because we managed to reduce the interest

first auction of domestic trea- which organized the auction to-

Thirty banks, including three joint ventures and four foreign branches, submitted sealed bids for bills in denominations of 10 sell 60 billion dong of six- million dong, 5 million dong, 2 million dong and 1 million dong. The winning interest rate was

18 percent a year. Mr. Ke said. rate, and the total sale was more replace existing six-month trea-state-owned commercial bank, the year for gethan planned," said Phung sury bills, which carried a fixed two joint-venture banks, one ment spending.

Bank's credit department, month. The government stopped issuing them in April. Deputy Finance Minister Le Thi Bang Tam said.

> one-year and three-year treasury bonds with an annual interest rate of 21 percent, she stock bank.

Organizers said there were The bills sold at auction will eight winning bidders: one

Of the total, 60 billion dong went to the state-owned Bank for Foreign Trade of Vietnam. Vietnam currently issues or Vietcombank, Vietnam's biggest bank, and 10 billion dong

was bought by Dai Nam joint-Vietnam wants to auction Tbills totaling 300 billion to 400 billion dong toward the end of the year for general develop-

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#### **Papuans Set Privatization Plans** management contracted out by of August to allow it to assess

PORT MORESBY, Papua New Guinea - The government announced a privatization program Thursday for state assets, including its airline and

postal service. Transport Minister Andrew Baing said the statutory authorities would be transferred

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the end of 1995 to ease the government's financial troubles. The list includes Air Niugini,

Post & Telecommunications Corp., Papua New Guinea Harbors Board, Papua New Guinea Electricity Commission and Kalang Radio.

Mr. Baing said the government had asked the units to furnish information by the end

(Sept. 25-29)

(Oct. 30-Nov. 3, Nov. 6-10)

(Oct. 2-6)

(Oct. 9-13)

more than a dozen proposals from foreign and local inves-

tors, Agence France-Presse rerorted from Colombo, quoting Rajan Asirawatham, chairman of the privatization authority.

their potential value.

■ New Era for AirLanka

Bids to restructure AirLanka.

Sri Lanka's debt-ridden airline,

will close within a week, and the

government hopes there will be

Officials said the government wanted AirLanka to be in private hands within a year.

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AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, June 6, 1995

#### **Imminent Sale** Of Omni Hotels Compiled by Our Staff From Dispatches

Wharf Denies

HONG KONG -Wharf (Holdings) Ltd. said Thursday that it was not holding "serious" discussions with any potential buyer for its Omni hotels in not rule out such a sale.

The conglomerate has been approached by "a number of parties" that would like to buy the hotels, but "we're not in serious discussions with any parties," said Quinn Y.K. Law, Wharf's financial officer.

His comments followed reports that Smith Barney lnc. last month approached Hospitality Franchise Systems Inc. about buying Omni, which Wharf ac-

quired in 1988. Mr. Law said the conomerate had not retained the New York-based securities company to orches-

trate any sale. (Bloomberg, Reuters)

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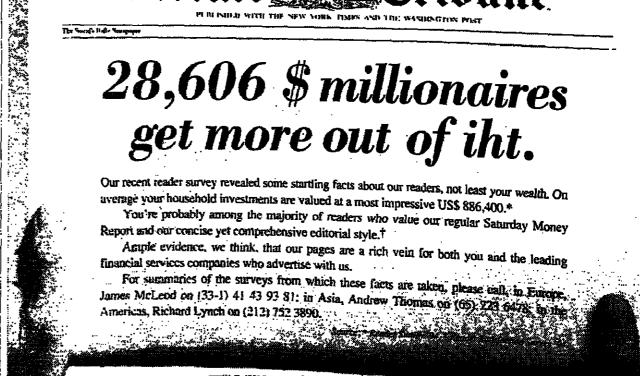
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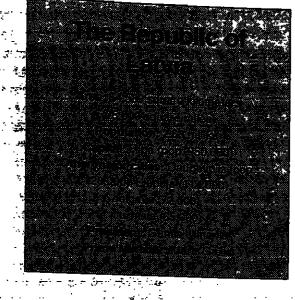
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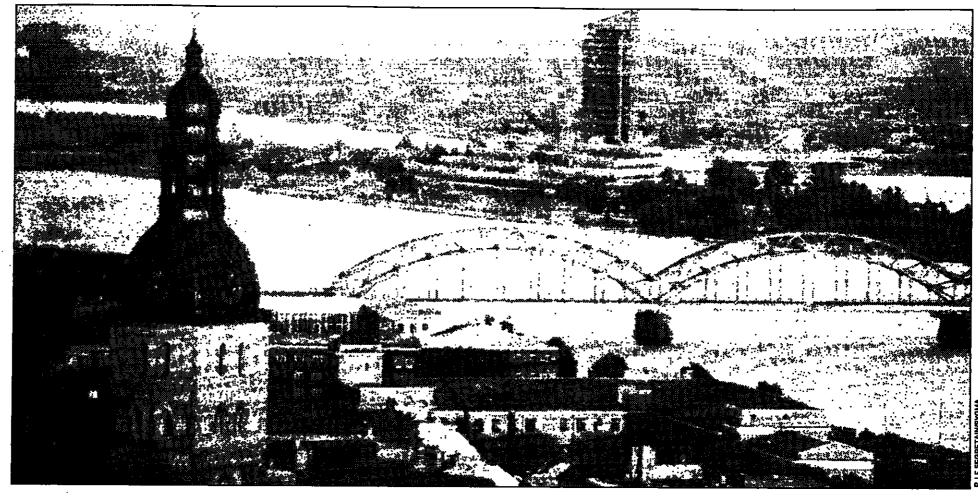
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### PRIME MINISTER PREDICTS STRONG AND STEADY PROGRESS

Born in 1951, Maris Gailis earned a ing sector] have shown, that assumpdegree in mechanical engineering in 1978. After holding a number of industrial posts, Mr. Gailis entered politics in 1990, serving as director of the international economic relations department of the Latvian government. Over the next four years, he held a variety of ministry-level governmental positions before becoming

prime minister in September 1994. As the key economic figures show, it has been a year of progress for Latvia. Yet the country's mood is not as positive as it was in the early days, when Latvia's economic and political situation was highly tenuous. What is the ex-

> 'By responding decisively to recent events, our institutions have demonstrated the underlying strength of our democracy' Maris Gailis

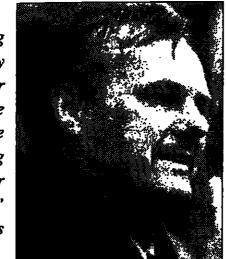
planation for this paradoxical situa-

Perhaps human nature. The last of the past's major struggles - the fight to gain independence, the introduction of a totally new economic form and a new currency - largely came to a successful end three years ago. Since then, we Latvians have experienced a relatively untroubled period of strong political stability and economic and social progress. During this period, an unconscious, unspoken assumption has taken root in our population; that the time of upheavals is gone and will never come

As the recent shake-ups (in the bankback again.

tion is as invalid in Latvia as in any other country. Setbacks are an inevitable part of any country's life. The test of a country's mettle is how it handles these setbacks, whether or not its institutions respond to them in a capable and proper way.

And Latvia's institutions have been responding very well. Two of the guiding features of our system of democracy are a strong parliament capable of articulating concerns and of formulating a broadly based consensus, and a central bank given a great deal of independence in the setting of fiscal policy. Over the past few weeks, the decisive-



ness of our parliament and the independence of our central bank have proven the key to the solving of our current problems. By responding decisively to the recent weeks' events, our institutions have demonstrated the underlying strength of our democracy.

One of the controversies of the past was the alleged inability of the Russians (who account for 32 percent of the total population) and other national groups living in Latvia to gain Latvian citizenship. Your government put forward a plan setting forth an orderly transition to Latvian citizenship for citizens of the former Soviet Union. How

good news. The total absence of reports of discontent among ethnic Russians living in Latvia is one very good indicator of the extent of the quiet progress made toward integrating foreign nationals into our society.

In this case, no news has been very

As you will remember, our procedures governing the attaining of citizenship set forth three requirements: a minimum period of residency in the country, a proficiency in Latvian and a working knowledge in Latvian history, requirements very similar to those in force in the United States. To help our Russians achieve this proficiency and knowledge, we have set up special educational programs. They have been well-attended, indicating a strong interest in attaining Latvian citizenship. For those non-Latvian citizens wishing to travel during this period of transition, we are providing appropriate docu-

Anywhere you care to look in Latvia's economic and cultural life. you will find Russians playing a highly active role, just as Latvians are highly active in the neighboring areas of Russia and Belarus.

The conventional wisdom sees Latvia as settling down to a period of steady, unspectacular growth. Do you endorse this scenario?

Not in the slightest. After years of restructuring and learning, our economy is poised to record significant advances on national and international markets. Our privatization program has reached a new height of activity, and international interest in investing in the program's industrial companies has never been greater.

A number of manufacturers, primarily in the wood- and food-processing and construction sectors, are establishing themselves on national and international markets. We are making steady. strong progress toward further upgrading our relationship with the European Union. Large-scale opportunities are emerging in our energy and transport facility sectors, and specifically in our

Rather than incremental increases, Latvia will be taking major steps forward in the years to come.

### AFTER YEARS OF NATION-BUILDING, A BOLD MOVE FORWARD

This year is expected to bring significant changes to post-Soviet Latvia.

he six years following Latvia's independence from the Soviet Union have brought breathtaking developments to the country. In 1990 and 1991, the Latvians wrested their independence from the Soviet Union, whose population was hundreds of times larger than that of Latvia and which had an incomparable advantage in military might. In 1992, the newly formed Bank of Latvia launched the Latvian ruble, a move accompanied by a vast restructuring of what had been

By 1993, the rechristened Lat had become the hardest currency east of the Deutsche mark, Latvia's bank had become Central and Eastern Europe's role model for probity and professionalism, ultra-liberal currency regulations had been put in place and Latvia was in the midst of an unprecedented financial

and trade services boom. The growth of its financial and traderelated service sectors, in turn, allowed Latvia to break the fall in living standards and to tame the hyper-inflation bequeathed to it by the Soviet system.

Turnaround point By mid-1994, after only a little more than two years of full-scale restructuring, the magic turnaround point was reached. The country entered the growth column - ahead of many of its counterparts in Central and Eastern Europe, nearly all of which had started their restructuring efforts years prior to

Latvia's latest figures are good, but certainly not dramatic. The figures speak of steady overall economic growth, fiscal stability and several per-

sisting but undramatic problems.

After recording a rise in gross domestic product of 2 percent (according to the IMF) or 2.5 percent (according to Latvia's ministry of finance) in 1994, Latvia looks set to double that figure in 1995, ranking it among the leaders in Central and Eastern Europe.

Latvia's citizens are fully sharing in this growth. Reflecting the breadth of the mid-year turnaround, the country's income and wealth-per-household figures reached new highs in 1994. The rate of unemployment hovered between 6 percent and 7 percent during the year - high for the Baltic region, comfortably low for Europe as a

The real rate of unemployment is probably much lower than that, suggest local employers. "Finding good, qualified workers is getting more and more difficult," states one manufacturer. \*Many of them, although officially registered as being out of work, are in fact quite gainfully employed off the books."

Earned, not purchased

Of equal importance, this growth has been earned, not purchased through deficit spending. According to Latvia's Ministry of Finance, the government's total external debt amounted to a very modest \$345.6 million at the end of 1994 - or about 10 percent of GDP. The federal government's budget deficit came to 1.9 percent of total expenditures, about half of the comparable figure for Germany, putting Latvia

well within the Maastricht guidelines. This indebtedness is more than counterbalanced by the \$570 million in net foreign reserves held by the Bank of Latvia as of Dec. 31, 1994; the figure

represents an all-time high. Although this wide range of accomplishments has earned Latvia the praise of international economic experts, they advance one major criticism: Latvia has yet to restructure its "legacy economy," the mass of unwieldy and often inefficient industrial enterprises beto it by the Soviet system. The nub of the criticism concerns the country's privatization program, which has been successful in other areas but has failed to score notable successes in the

legacy economy. Major restructuring

"Latvia can always subsist on supplying services linking Russia and the rest of the eastern Baltic with international markets," Manfred Meier-Preschany. Latvia's chief economic advisor, said in mid-1994. "To thrive, the country will have to attempt a major industrial and managerial restructuring."

The figures for 1994 confirm his observations. After showing a strong 18

It is too early to tell whether this rise is a temporary aberration or the start of a long-term trend, but one thing has been apparent for months: 1995 will be the year of an uncompromising industrial restructuring.
"By the end of 1996, all of our indus-

trial companies - with a few key exceptions - will have been sold to the private sector, or put into liquidation, says Janis Naglis, head of Latvia's privatization program. "Our program has been in high gear for a bit more than a year. And, as the figures snow, the results of this wave of privatization are beginning to make themselves appar-

Privatization picks up

An accelerated pace of privatization is just one of the processes at work, according to Mr. Meier-Preschany. "In Latvia, over the past few years, several hundred million dollars of foreign and locally based investment have flowed into newly founded companies, subsidiaries and joint ventures." Mr. Meier-Preschany says. "These are primarily located in such sectors as wood and food processing and light consumer and capital goods. It takes time



Higher incomes: Latvians are sharing fully in the country's economic growth.

percent rise in 1993, exports fell by about that amount in 1994, sending the country's balance of trade - positive over the previous two years - into the red. Powered by a strong performance in the service sector, the country's balance of payments was basically at the break-even point for the year.

The cause of this export drop was an percent fall in industrial output in 1994. According to preliminary published figures, that figure has turned around during the first three months of 1995 - showing, for instance, a 20 percent rise in March as compared with

for such investments to work their way through the pipeline, for new plants to be built and existing ones to be reequipped. The investments of 1992 and 1993 are only now beginning to make their presence felt in the industrial sta-

Maris Gailis, the country's prime minister, points out that "there is a tremendous awareness throughout Larvia's business and official communities as to how important this restructuring is and what is at stake for the country, as well as a broad-based willingness to do whatever it takes to make the restructuring succeed."

"LATVIA"

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WRITER: Terry Swartzberg is a business writer based in Munich. PROGRAM DIRECTOR: Bill Malider.

Latvia's banking system has survived the recent crisis.

As the experiences of we Latvians have come to Credit Lyonnais. Barings. Metallgesellschaft and Jürgen Schneider indicate, this has not been a particularly good year for international banking.

Latvia would seem to be the latest addition to this long list. In mid-May, the Latvian government was forced to launch a mission to rescue Banka Baltija, the country's largest, from its mounting load of nonperforming loans.

In comparison with the billion-dollar dimensions of

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Unpleasant episode Upon closer examination. these developments look less like a full-blown "cri-

take a great deal of pride in

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naive expectation that Latvia

- unlike every other country in the world, including

Switzerland - would be

spared any scandals or set-

sis" and more like just an

One feature of Latvia's financial system has not changed from the start its inimitable openness

Credit Lyonnais or Baring. these developments are neither large nor severe. They have, however, been a front-

page item in Riga's papers. This amount of local attention and concern is entirely understandable," says Teodoras Tverionas, president of the Latvian Association of Commercial Banks. "Although (the banking system] is only a few years old.

unpleasant episode in the maturing of Latvia's bank-

ing sector.
"It takes time to get a fullblown regulatory and monitoring system in place," says Ilmars Rimsevics, the Bank of Latvia's vice chairman. "We have been working very hard over the past four years to set up monitoring and enforcement systems capable of assuring adherence to the stringent capitaladequacy and balance-sheet accountability standards we established at the outset."

These standards are indeed very stringent. Latvia's banks are required to maintain reserves equivalent to 8 percent of their average deposits with the Bank of Latvia, to have at least 2 million Lat (\$3.9 million) in initial capital, to maintain a 10 percent ratio of share capital to total assets - two percentage points above the figure specified by the Basel Commission - and to avoid imbalances in lending and the holding of equity stakes.

Quiet reorganization

By enforcing these standards and monitoring its banks' performance through its own examinations (65 of which were carried out in 1994), the Bank of Latvia has been quietly carrying out a reorganization of the country's banking sector, weed-ing out the black sheep and shoring up the problem chil-

In 1994, for instance, the bank revoked the licenses of 11 banks, with a further six declared insolvent and two recapitalized.

In 1994, the Bank of Latvia also made it mandatory for Latvia's banks to have their books audited by recognized independent companies, and set up a binding period of compli-

Latvia...

...and the European Union

agreement successively re- Ministry of Finance, negoti-

moves all duffes and quo- ations on granting Latvia

'According to Latvia's to submitting a draft pro-

associate membership in

the EU came to a success-

ful conclusion on March 3,

1995: in December 1994,

the EU had committed itself

ance. By the end of the year. some 80 percent of the banks had aiready undergone such an audit. Working with the association of commercial banks, the bank has submitted a proposal for a

deposit insurance scheme.

Unceasing vigilance

Thanks to recent developments, both of these activities are being stepped up. "We have learned how necessary unceasing vigilance really is," says Mr. Rimse-

The current flaps notwithstanding, Latvia's banking system remains unimpeachably solvent. The weeding out process has left the country with 49 banks, compared with 63 in 1993. At 1.1 billion Lat, total bank assets are currently at an alltime high, as is total bank share capital. Of that, onequarter is held by non-Lat-vian corporations and citi-

Also at all-time highs are domestic deposits, commercial bank credits, and bank deposits with and net foreign assets held by the Bank of Latvia. At or near all-time lows are short-term and long-term average weighted interest rates.

financial services in Latvia has recently gotten even higher, thanks to the linking up of more banks with between currencies and SWIFT and other electronic across national borders.

posal of this association

agreement by the end of

the current French presi-

Látyla has also conclud-

ed free trade agreements

with Norway and Switzer-

dency (June 30).

LATVIA



To date, 22 million Latvian citizens have participated in the purchase of the country's corporations, investing about \$5 billion.

payment systems. One fea-ture of this financial system has not changed from the start: its inimitable openness. Both Latvians and for-Already high, the level of eigners are free to maintain accounts in any currency they wish. No restrictions are placed on transactions between currencies and

### PRIVATIZATION: A SCORECARD

A look at the successful restructuring of Latvia's privatization program.

In March 1994, Latvia nies. On Sept. 1, 1994, the completely reorganized its State Property Fund privatization system. Over the previous three years, 256 large-scale industrial corporations and more than 5,200 small-scale retailing, service and skilled trades companies had been returned to the private sector via straight sales and long-term leaseholds.

New agency On April 22, 1994, the Privatization Agency of the Republic of Latvia started up operations. Headed by Janis Naglis, the agency handles the final preparation and sale of privatization candidates. In addition to those sold via the two tenders, the agency has privatized 40 compa-

launched its activities. It was set up as the single, residual owner of all nonprivatized industrial companies in the country, of which there were 1,500 at the time.

International tenders On Dec. 22, 1994, the Priva-

tization Agency concluded its first international tender. It was a huge success. Some 45 companies received 176 bids, of which just under half were from abroad. To date, 24 of these companies have been returned to the private sector, with the rest expected to follow over the next few months.

On April 27, 1994, the

second international tender was completed. Some 46 companies were put up for

Of the 182 bids, roughly half were from abroad. Mr. Naglis expects the tender evaluation process to have been completed by the end of the summer.

September offering

A third international tender has been scheduled for September. It, too, will feature between 40 and 50 companies. Latvian citizens have been prime purchasers of their country's corporations. To date, 2.2 million Latvians had subscribed to vouchers worth 2.7 billion Lat (about \$5 billion).

### FULFILLING A PROMISE: HIGH-TECH VENTURES

tas previously existing be-

tween the country and the

union. The exceptions are

agricultural products and

Latvia builds on its long-standing reputation for high-tech expertise.

On Jan. 1, 1995, a sweep-

ing Free Trade Agreement between Latvia and the Eu-

ropean Union took effect.

With a number of condi-

tions and with periods of

transitions generally rang-

ing up to four years, the

earned a name for innovation in the fledgling fields of electrical and telecommunications engineering. When the Soviets conquered the country, their economic planners decided to capitalize on this stock of advanced expertise and on Latvia's relatively good infrastruc-

As a result, the Soviets built a number of large-scale electrical and telecommunications production facilities. These, in turn, were supplied with their future engineers and products by locally based clusters of scientific institutes.

Venues of renewal Today, these institutes - and

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specifically the four technology centers located on their premises - form the main venues of Latvia's industrial

era. Latvia's scientists centers has its own highly gies, facilities and investindividual brief.

Founded in 1986 and located in Riga, the Latvian United Research and Technology Center serves as the "playmaker" within the country's research community. The center is responsible for arranging transfers of technology between scientific institutes and industrial companies and for setting up new technology centers and interdisciplinary research groups. It also conducts research in a broad number of fields, partially financing all its activities from proceeds in this area.

Also located in Riga is the Radioelectronics Technolo-

gy Center. Founded in 1993. the center is specialized in equipping newly founded companies - primarily active in the fields of electronics and instrument-making -



Infrastructure for growth: Telephone factory in Riga.

In the pre-World War II renewal, Each of these four with the requisite technoloment capital.

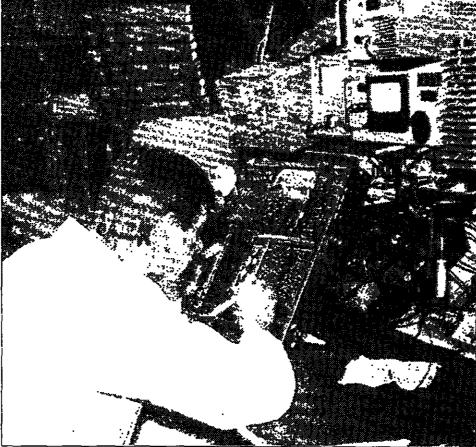
Latvia's youngest

Salaspils is a town located 30 kilometers (19 miles) southeast of Riga. Founded in 1994 and housed in a former institute of physics, its technology center is Latvia's youngest. It is being developed into a full-fledged "incubation center" similar to the Latvian Technology Center, which is a year older and already home to 16 companies.

"Technology centers gen-erally all follow the same pattern," says Karl-Heinz Klinger, managing director of the Berlin-based Technostart. The company serves as technological consultants to the Latvian government. They assemble a group of young, highly promising companies and provide them with the services, training s and information the companies need to develop their products and then sell them on national and international markets.

"This approach is espe-cially useful in Latvia," he adds, "as the country's corporate newcomers combine an exceptionally high level of promise and a very low exposure to standards of

Western business practices." Among the LTC's tenants are Elkurs, a producer of veterinarian medications; Virsma AG, a developer of advanced systems for the reprocessing of industrial



Venue for industrial renewal: Riga is home to several high-technology centers.

ducer of building insula-

of-the art vacuum deposition

wastes; and Ripors, a pro-systems capable of coating my is now taking on interna-

Beyond the centers Of course, not all of Latvia's core of young, advanced companies are based in these centers. Located in Riga, Sidrabe manufactures state-

and treating electronic and other industrial components and supplies.

The technologies used in the system preclude the developing and issuing of emissions. Armed with the capital and expertise of ration, the privatized compa- communication systems.

tional markets. Other hightech companies attracting international attention include Anda, which manufactures optical fibers and laser instruments: Eliat, a producer of remote control systems; and LarWest, a developer of America's Sheldahl Corpo- advanced voice and data

### Latvia...

### ...and other international organizations

and Development, as well as associate part- year.

Over the past few years, Latvia has been nership in the Western European Union. granted membership in the Council of Eu- Latvia is expected to become a member of rope, the International Monetary Fund and GATT (and thus of its successor, the World the International Bank for Reconstruction Trade Organization) during the course of the

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ARULIN



### FARING WELL: EXPATRIATES AND PIZZA

From politics to fast food, new opportunities are luring expatriate Latvians back home.

the country," says a guidebook. Independence has made that statement our of date. Since 1991, a goodly portion of these expatriates have returned to a homeland many had never seen, bring-

ing with them varying quantities and qualities of capital and expertise.

Most of them have gone into the various branches of the service sector, including politics (the American horn cluding politics (the American-born and raised Vita Anda Terauda is the country's minister of reform), family planning (an item in scant supply in all of Central and Eastern Europe), the media and the restaurant business.

Delightful predicament

C IRD

There are now so many restaurants that the regular visitor to Riga is faced with a new and delightful predicament: There is a good deal of new fare to try out. This new abundance includes a

bevy of expense-account restaurants, generally offering upmarket Latvian cuisine and mostly located in the city's historic center, plus a rash of casual places offering subs, fried chicken, hamburgers and, most commonly, piz-

Two of the pizza parlors – called Lulu Pizza" – are owned by Elmars Tannis and Peteris Rugelis, Canadians of Latvian extraction.

A need for fun places
The duo entered into the world of Latvian gastronomy in 1992. On a trip to a homeland they had never seen, Mr. Rugelis says that they "saw a market opportunity - Latvia lacked fun places to eat and congregate. We could speak the language, so we decided to give it a try. And, much to our surprise - running a business was very new to us - it has worked out well, after lots of ups

Latvia..

Lithuania and the

hal investors

The downs were great initial difficul-ties in finding premises, a grasping partner who made the duo's initial foray - a highly successful eatery - unten-able, and the frustration of working in an economic and regulatory system undergoing a period of rapid change.

Opportunities abound

The ups have been the proliferation of reliable suppliers providing extensive ranges of products, an expanding real estate market offering an ever-greater number of affordable premises and the growth of a middle class able to afford what is still a luxury item in much of Central and Eastern Europe.

Today, the partners are busy opening a third outlet, managing an expanding home delivery service and considering new areas of endeavor.

"There is lots still missing in Larvia," says Mr. Tannis dreamily. "Like Mexi-



### FOR INTERNATIONAL VISITORS, A CONCISE GUIDE TO GETTING AROUND

Latvia's transport infrastructure is keeping up with demand.

Duccess often causes its own prob- Among the latter is Riga's newest hoport will soon be due for a major expansion, should current trends be main-

"Riga airport - a 30 percent rise in air traffic" trumpeted an article in the Baltic Observer, an essential Englishlanguage source of information on Latvia. The rise was for the first quarter of 1995, as compared with the same period a year earlier. It was caused by the growing volume of business and holiday travel between Riga and West-

Numerous attractions

This increase has been produced by a wide variety of positive factors. Based on the sketchy figures available, international interest in viewing Latvia's large number of natural, cultural and architectural attractions seems to be growing strongly. The number of transactions carried out between Latvia and the Western world has been rising steadily.

Attracting more and more visitors to the country has been a growing number of cheap flights and attractive hotels.

lems. After undergoing complete reno- tel, the five-star Radisson SAS Daugavation only a few years ago, Riga's air- va. which will be opening for business

> Nothing dissuades travelers from vis-Baltic's often unpredictable weather. There are no difficulties involved in entering the country. Visas are quickly and courteously supplied at points of entry. They are free of charge for Americans and not required for the British, and they cost between \$20 and \$40 for citizens of other EU countries, depending upon the type of visa ap-

Payments in major currencies

Nor are there are any difficulties in-volved in getting to downtown Riga, some 15 minutes away from the airport. Taxis are reliable; the fare is \$14 for those booked via the airport service, much cheaper for regular taxis. The drivers give receipts as a matter of course and accept payment in any major currency - a statement that applies to nearly all commercial outlets in

In many European cities, any reasonably priced hotel is far removed from

the city's downtown, thus involving a trek. Not so in Riga. Although the city is large (925,000 people), almost all of easy walking distance of its historic iting the country, aside from the center. Nor is walking about in Riga an exercise in risk-taking. The city is generally regarded as one of the safest in

Easy communications

Also missing from Riga (and to a lesser extent, from the rest of Latvia) are communication problems. As befits a city that has lived from the international traffic in goods and ideas for nearly eight centuries, Riga's citizens are polyglot, with proficiencies in English and German being widely prevalent.

Nor is it difficult to reach all of

Latvia's many natural and cultural attractions. Buses are somewhat better than trains, which are adequate but slow, and the country is not covered with superhighways.

Nevertheless, the longest possible trip within the country from Riga is some 270 kilometers, which brings the visitor to Pasiene and its cluster of improbably Mediterranean baroque

### WEALTH OF ARCHITECTURAL TREASURES The bane of the Latvian past has become a blessing for today's travelers.

A RULING PASSION: NATION SHOWCASES

Throughout its history, Latvia was never very large and very rarely united. For most of the time, it was a patchwork of duchies and fiefdoms, nearly all of them under foreign control.

From the Bremen-based prelates and traders who founded Riga in 1201 to the Russian autocrats holding sway in the mid-19th century, each of the for-eign rulers brought their own architeceign rulers brought their own architec-tural style, turning Latvia's communi-ties and countryside into a highly eclec-tic and wide-ranging exhibition of 800 years of ruling architectural passions. The prime exhibit is Rundale, locat-ed 80 kilometers (50 miles) south of

Riga.
For anyone who has been to northern Italy or St. Petersburg, this resplendent 18th century palace, seat of a minor Courlandian dynasty, will look very familiar. Its architect was Francesco Bartolomeo Rastrelli, the Italian who designed the Winter Palace and many other royal buildings in St. Petersburg.

**Nordic Gothic** 

is coupon

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One hundred and sixty five kilometers to the west is one of Scandinavia's ultimate architectural statements. Located on Latvia's Baltic coast, the castle of Edole was first built in 1253. Among its many owners were Danish potentates, who put the stern stamp of Nordic Gothic upon its lines.

Between Scandinavia and Italy are some of Germany's best-preserved 16th century half-timbered lodges, 18th century villas still bespeaking the glory of Greater Poland and 14th century will half-theilt built by its grade most rape. guild halls built by its era's most rapa-cious might - the Hanseatic League.

Local talent

Not to be outdone by foreigners, the Latvians have also been avid builders and city planners in their own right, ea-gerly importing and adapting prevail-

ing looks and style. In the late 19th century, Latvianbased architects and designers took "Jugendstil" - a Viennese style perfected in Budapest. Barcelona and Glasgow - and transformed it into a lavish pacan to the expressive abilities of pagan to the expressive By the time Riga. Turret for turret and drawbridge stone, glass and ceramics. By the time



Foreign rulers - and ambitious Latvian architects - have bequeathed a highly eclectic mix of architectural styles.

the architects were done. Riga alone for drawbridge, the late 19th century had 800 of Europe's most sumptuous Jugendstil buildings.

palaces at Stameriena, Jaungulbene, Lielstraupe, Nogale and elsewhere ri-Nor were their efforts confined to val Neuschwanstein's splendor and or-

#### Latvia...

### and Russia

Despite occasional flurries of aggressive rhetoric, relations between Latvia and Russia have continued to improve. A 'most favored nation trade agreement has been in force between the two countries since June. 1, 1994, one of 18 such agreements con-

Cluded by Latvia.
One major remaining bone of contention. is that Latvia, like many countries in Central

and Eastern Europa, is highly interested to joining NATO. Losted eputate country has participated in NATO's "Partnership for Peace" maneurers.

As is the case with all such arisives by for mer Soviet satellities, the history have been vaciliating between gradging toleration of Latvia's plans, and unequivocal opposition.

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Latvian Tourist Board 4 Pils laukums LV-1050 Riga Tel.: (371 2) 32 75 42 Fax: (371 2) 22 99 45 By Richard Justice Washington Post Service

ORLANDO, Florida - The Houston Rockets survived a sorry start, then blew a lead in the second half. Only to get a clutch shot at the end of regulation, and an even bigger one at the end of overtime. In other words, a typical night at the

In the end it was Hakeem Olajuwon's tip-in of Clyde Drexler's missed shot with three-tenths of a second left in

#### **NBA FINAL**

the overtime that handed the Rockets a 120-118 victory over the Orlando Magic in a terrific start to the NBA championship series Wednesday night.

Dennis Scott had tied it for Orlando with a 3-pointer with 5.5 seconds to go in overtime, much as Houston's Kenny Smith had tied the score with

1.6 seconds left in regulation. "It's been like this since the beginning of the playoffs." Olajuwon said. "This was a classic example of all that we have been going through. There's a lot of basketball left. Winning Game I gets us one enough time to run a play. Smith dribbled to the top of the step closer, but it's not going to be easy. This Orlando team has

so much talent. They're war-riors. They will fight back."

After Scott's shot had made it 108-all in overtime, the Rockets had time to draw up one play. They put the ball in Drexler's hands. He drove into the lane and, when Shaquille O'Neal came over to help out on defense, missed. But O'Neal had allowed Olajuwon to get into position to win the game. "We did a lot of things

wrong," said guard Anfernee Hardaway of the Magic. "We started making bad mistakes, but if we fix all the mistakes in Game 2, we'll be all right."

After trailing by as many as 20 in the first half, then leading by as many as nine in the second, the Rockets took a 1-0 lead in this best-of-seven series. It was nothing new for the team that has tied an NBA record by winning six straight playoff games on the road.

Orlando's Nick Anderson helped some by missing four free throws in the final 10 seconds of regulation. "I haven't missed four free

throws in a row in who knows when, so I think it was more of a mental thing." he said. The last two misses came with 6.1 seconds left, and gave

Houston, trailing by three.

key against Hardaway and sank 3-pointer to make it 110-110. After watching Olajuwon Olajuwon got 31 points anytorch David Robinson in the way. The other was that the Rockets made 14 3-point shots. Western Conference final, Or-Smith was 7 for 11 from that lando's coach, Brian Hill, decided that Olajuwon would not range and set an NBA record for the final. He finished with be allowed to play any more one-on-one games. So each time 23 points. Robert Horry made Olajuwon got the ball, he found four and finished with 19

Hakeem Olajuwon and Shaquille O'Neal went at it, until O'Neal went off elsewhere.

But two things went wrong ers scored in double figures. with that strategy. One was that O'Neal and Hardaway had 26 points each for Orlando, and

"We let one get away," Hill said. "Houston made 113-point shots in the second half. They knocked some very tough ones, but we made some mistakes that caught up to us." points, as all five Houston start-

dros, Phi (high-sticking), 6:46; Designdir (hooking), 9:16; Brind'Amour, Phi (sks

berg, LeClair), 4:19. Pess Shots on gool—Philos New Jersey 10-13-8-2-33.

of 3; New Jersey 0 of 4

Stevens, NJ (hooking), 9:52. rtime--6, Philiodelphia, Lindras 4 (Ren-

### Blue Jays Stop White Sox

### Slumping Thomas Upset by 3 Walks, No Hits

The Big Hurt was really sore. Frank Thomas, the league's two-time most-valuable player, let loose Wednesday night with how fed up he was about not getting pitches he could swing at. The profanity-laced quasinews conference came after the visiting Toronto Blue Jays beat the Chicago White Sox. 4-3, a loss that saw Thomas ground into a double play with the bases loaded in the fourth and strike out looking in the ninth.

He walked three times, giving him 48 in 37 games and ahead of the pace last season that saw him walked 109 times in 113

games.
"This baseball is getting old,"
Thomas said. "It's boring. This
is weak stuff they play in college. This is the big leagues. No one player is that dangerous. This is just trash."

Thomas, who is in an 0-for-12 slump, saw his average drop below .300 in a season that has already had an 0-for-13 slump. "It's very frustrating," he said. "I'm getting fed up with it. It's going to be a long season."
The Blue Jays, who had lost the first two games of the threegame series, scored all their runs in the fifth inning.

Devon White's fourth homer followed a leadoff single by Domingo Cedeno and made it 2-1.

BASKETBALL

**NBA Playoffs** 

Paul Molitor followed with an infield hit and scored on Roberto Alomar's triple. Alomar made it 4-1 when he trotted home on a balk.

The White Sox got within one on a two-run homer by Robin

#### AL ROUNDUP

Ventura in the seventh. Ventura went 3-for-5 and extended his hitting streak to 12 games. Indians 3, Tigers 2: Jim Tho-

me homered on a 3-0 pitch leading off the bottom of the 10th as Cleveland won its fifth straight and 10th in 11 games.
Thome's 10th homer also

gave the Indians their 10th victory in their last at-bat. Eddie Mucray hit his ninth

homer of the season and 467th of his career in the second, while Lou Whitaker had four hits for Detroit, including a two-run homer in the seventh. Red Sox 5, Angels 1: Roger Clemens struck out eight and gave up just two hits in five

innings as Boston, playing at home, won for the eighth time in nine games.

Boston scored on RBI singles by Luis Alicea in the third and Mike Macfariane and Troy O'Leary in the seventh, plus de 15 GA

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Tim Nachring's two-run double in the eighth. Mariness 10, Orioles 2: Seattle, limited by Kevin Brown to two singles in seven innings.

broke through with nine runs in the top of the eighth, including Edgar Martinez's grand slam off reliever Armando Benitez. Yankees 6, Athletics 1: Rookie left-hander Andy Pettitte held visiting Oakland to four hits over seven innings in New

100th major league homer. Brewers 6, Twins 3: Minnesota lost its seventh straight at home as Darryl Hamilton's two-run single in the eighth gave Milwankee the lead.

York, and Wade Boggs hit his

Rangers 10, Royals 4: Mark McLemore, in a 5-for-42 slump, hit a two-run homer and keyed a six-run sixth with an RBI single as Texas beat visiting Kansas City and moved up to a halfgame behind first-place California in the AL West.

### **Erring Bonds Redeemed** By Hit That Beats Mets

been an adventure, he's usually ning with his head down, just one swing away from mak-rounded second and was easily ing amends.

Bonds atoned for two baserunning blunders Wednesday edoy's Result 19 31 37 23 19—129 30 31 19 30 8—118 night by hitting a three-run double in the eighth that railied ORLANDO 39 31 19 38 3-14 (Houston koods series 1-0)
Houston: Eile 7-11 3-4 18, Horry 7-18 1-2 19, Otaluwan 13-26-57 31, Smith 8-13-0-622, Dracker 7-19 8-2 32, Brown 1-5-0-0 2, Corsell 1-3 1-2 4, Jones 5-1 0-08, Chikcut 0-0-0-0, Totals 44-96 18the San Francisco Giants over the visiting New York Mets, 9-Bonds finished with four hits

Ortondo: Scott 3-19 3-3 11, Grant 7-15 1-1 15, O'Neol 10-16 6-7 26, Anderson 9-18 0-4 22, Hardoway 11-253-326, Tamer 1-40-02, Show 5deficit, he had drawn more attention by getting picked off second and being thrown out

120-0 11, Bowle 2-3 0-4 A Royal 0-0 0-0 0. Totals 48-103 13-20 116. 3-Point goals—Houston 14-32 (Smith 7-1), Harry 4-10, Elle 1-2, Cossell 1-2, Drester 1-4. Snown 9-1), Orlando 9-30 (Anderson 4-18, Scott 2-7, Turner 1-2, Shaw 1-5, Hardaway 1-6). Familia ast None, Rebounds—Houston 57 Fooled out-None. Rebounds—Houston 57 (Drexier 11), Oriendo 68 (Great, O'Neal 16). Assists—Houston 31 (Smith 9), Orlando 32 O'Neol 9), Tetal fauts—Houston 21, Orlando

E

FIRST TEST

#### FRANSITIONS

American Leagu

to a misor-league contract and sent him to extended scring training. Recalled Brian Lo-ney, pitcher, from Powfucket, IL. Placed Keith Shepherd, pitcher, on woivers to reisose him. CALIFORNIA—Placed Gres Myers, catch-er, on the 15-doy disobled list. Recalled Jorge Fobresus, catcher, from Vancouver, PCL CHICAGO—Placed John Krak, designated CHICAGO - PACES Joint 17th, Ossaines Militer, on 15-day displiced list; retrooctive to June 3. Recalled Lyle Moutan, outfielder, from Nashville, AA. Signed Kevin Belme, sitcher; Brian Bowness, inflicider; and Monuel Lutz, third boseman.

KANSAS CITY—Signed Jonathon Albrecht, Change Statistics leave to general to be Souter. Steven Mutils, Jesus Liz and John Sonders, pitchers, and Mark Melita, shortstop, Signed Harold Reynolds, second baseman and as-

trying to stretch a double. Since we won, they weren't mistakes," said the Giants' manager, Dusty Baker. "The

> his mistakes won the game. Barry did his thing." Bonds declined comment af-

ter the game.
On Monday, Bonds lashed out at fans at Candlestick Park after he failed to furn around on a ball that sailed over his head and hit the left field wall. On Tuesday, the three-time MVP hit a clutch double that keyed a Giants victory, then apologized to fans for his outburst.

same guy we're talking about

"Barry's a pretty good player. bring in the runs, said Edgardo homes in the seventh that Alfonzo, who homered and helped Atlanta beat visiting drove in four runs for the Mets. Chicago. "He's the best player I've seen

in my life." The game ended on another bad play. Trailing by 9-7, the Mets had Alfonzo on third base and Bobby Bonilla on first with

ren Lewis caught on the warn-Even when Barry Bonds ing track Alfonzo tagged up messes up, and this week has and scored but Bonilla, rundoubled off as he tried to return

Dodges 7, Expos 1: Rank Mondesi hier two-sus homer in Los Angeles and Hideo Nomo won his strong straight start, striking out four and walking four in eight innings. He allowed six hits including Darrin and four RBIs. But until his Fletcher's houser in the eighth. two-out double overcame a 7-6 Plates 7, Padres 1: Curt Schilling pitched a two-hitter in San Diego and Philadelphia stopped its scance high five-

NL ROUNDUP

game losing streak as Darren

Dankton, Mickey Morandini and Gregg Jeffernes homered. Schilling, who struck out eight, retired 16 straight batters in the middle innings before Ken Caminiti homered in the

Pleates 7, Reds 3: Mark John son homered twice and Pittsburgh stopped its longest losing streak of the season at five by winning in Cincinnati for only the second time in 13 games.

Braves 4, Cubs 3: Marquis Grissom, moved from leadoff

Rockies 7, Cardinals 3: Andres Galarraga hit a three-ran homer, and Colorado, playing at home, dropped St. Louis pitcher Danny Jackson to 0-7. Marlins 8, Astros 3: Greg

Colbrumn hit a three-run homer Todd Hundley hit a long in the first as Florida won two drive to right-center that Dar- of its three games in Houston.

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**SCOREBOARD** Major League Standings Joho (4). Minnesota, Stataviak (2).
Terasta 80 940 900-4 11 1
Chicago 100 992 200-3 10 8
A. Leiter, Cax (6), Castillo (7), Timita (9)
and Parrish; Keyser, Fortugno (5). Dibble
(8). Redinsky (9) and Karkovice, Lovalilere
(8). W.—A. Leiter, 4-2. L.—Keyser, 9-1.
Sv—Timilin (3). HRs.—Toronto, White (4). Chicago, Ventura (7).
Kansas City 210 100 990— 4 10 3
Tezzs 900 306 (11x—18 12 1
Gordon, Meacham (6), Rosmussen (6), Tor NATIONAL LEAGUE

Wednesday's Line Scores

L—Maxty, 2-1, HRS—Detroit, Whitelet (27). Cleveland, Murray (9), Thome (10). Sakkand 001 000 000—1 5 0 New York 010 010 132—6 14 1 Onliveros, Van Papoel (8) and Steinbach; Petitite, Wickman (8), Howe (9) and Loyritz, W—Petitite, 1-2, L—Onliveros, 5-2, HRS—New

1-2\_L\_Onliverus 3-2\_criss\_res (2), Toriobuli (3). 000 600 691—10 E 0 110 600 600— 2 10 1 ev (8), J. Nelson (7) and Kreuter; ittez (8), Milis (8), Orosco (9) and —Bosia, 4-0. L.—Brown, 5-3 de, E.Martinez (6), Strange (1).

**DENNIS THE MENACE** 

Colifornia 960 960 961—1 6 9
Boston 961 960 22x—5 10 1
Finitev, Builcher (8), Mt. Williams (8), Percival (8), 8. Portierson (8) and Fabresos: Clemers Cormier (6), Bellindo (8), K. Ryon (9) and Maciar Inne. W—Clemens, 1-0. L.—Finitey, 3-5.
Milwoukee 988 Ass. L.—Finitey, 3-5. Alkvauke 089 83 82 -6 8 1
Minnesoto 020 807 600-3 11 8
Borts, Mirondo (6), Rishmowor (9) and
Oliver: Erickson, Stevens (8) and Merulia.
Wolbeck (9), W—Altrando, 2-2. L—Erickson, 2-6 5-4, 19 bethomsor (1), HRS—Milwauke

-Rightnowar (1). HRs-

Kansas City 219 100 099— 4 19 3
Tezzs 600 386 01x—10 12 1
Garden, Meacham (6), Rosmussen (a), Tor res (7), Brewer (8) and Mayne; Povilk, Burrows (4), McDowell (7) and I. Rodriguez.
W—Burrows, 2-1, L—Gordon, 4-2 HR—Texas, McLemore (2).

NATIONAL LEAGUE NATIONAL LEAGUE
Pitisburgh 818 810 131—7 18 0
Cincianati 918 900 200—3 7 1
Lieber, Plesoc (8) and Encornacion; Jorvis, X. Hernandez (8), P. Smith (9) and Taubansee, W.—Lieber, 2-5. L.—Jarvis, 2-1.
Sw.—Plesoc (1), HPs—Pitisburgh, Johnson 7
(5), C. García (1).
Chicago 900 102 900—3 6 1
Atlanta 900 911 202—1 10 0
Navarro, M. Perez (7), Hickerson (8) and
Wilkins; Smaltz, McMichael (8), Wahlers (9)
and J. Lapez, W.—Smaltz, 4-3. L.—M.Perez, 0-3.

Jers (2), HRs-Chicogo, Roberson

Decker; Draber, F. Narrinez (3), risa (1 ves (d), D. Veres (8) and Servals, Vi—Burkett, 4-5. L—Drobek, 2-4. Sv—R. Veres (1). HRS—Flor-ida, Sheffield (6), Colbrum (4), Houston, Bos-well (7), Servals (1). Philadelphia 806 631 201—7 14 1 San Diego 09 808 180—1 2 0 Chillian — Deckey Arbhy, Marmossan

miniti (7).

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Da. Jackson, DeLucia (5), Habran (6), Palacios (6) and Pognazzi; Freeman, Balley (6).
Holmos (9) and Girardi, W—Freeman, 2-2.
L—Da. Jackson, 6-7. HRs—St. Louis. Gilkey
(7). B. Jordan (7). Colorada, Galorroga (6).

Les Angeles 200 203 982—7 12 1
Fessero, Horris (a), G.White (7), Roles (8) and D. Fletcher, Loker (8): Nome, T. Williams (9) and Plazza, W.—Nome, 2-1, L.—Fessero, 7-2, HR—Montreal, D. Fletcher (3), Los Angeles, Mandes (10).

himself surrounded.

WOMEN'S WORLD CUP

ITALIAN CUP

Japanese Leagues

JUNE 9, 1984 TENNIS CHAMP MARTINA NAVRATILOVA CRUSHES CHRIS EVERT-LLOYD 6-3, 6-1 TO GARNER THE WIMBLEDON TROPHY - AN HONOR SHE'LL ADD TO THE AUSTRALIAN, U.S. AND FRENCH OPENS ALSO WON THAT YEAR.

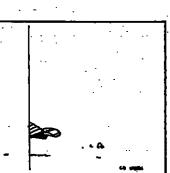
**Bud Sports Notes** 

### CALVIN AND HOBBES

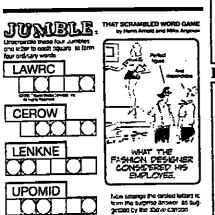












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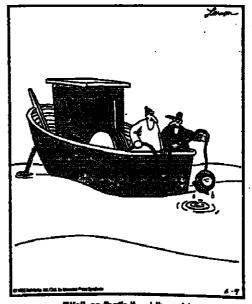








THE FAR SIDE



Well, so that's it. \_ I thought

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### Mantle Is Given 'Excellent Chance' After Transplant

DALLAS — Mickey Mantle York Yankees slugger had been as "an excellent chance for reovery" after getting a new liver bed." has "an excellent chance for recovery" after getting a new liver in a 71/2 hour transplant operation Thursday that, doctors said, ran into some initial difficulty because of scar tissue from earlier gall bladder sur-

gery.

The new liver was draining properly and the Hall of Fame baseball player's kidneys were working again, the lead trans-plant surgeon, Dr. Robert Goldstein, said in the after-

"He now has an excellent chance for recovery," Goldstein said. "He's very stable but still

Goldstein said that Mantle had "a week, maybe two to live" had he not received a new liver. Mantle was moved to intensive care where he was to remain for at least 24 hours. Goldstein said that time period is the most critical to make sure the liver continues functioning and that there is no bleeding.

"He is 63 years old, which puts him in our elderly population, and you just have to watch him to be sure," Goldstein said. Mantle's liver had been dete-riorating because of a small malignant tumor, years of alcohol

abuse and a long dormant hepa-titis C infection, doctors said. The five-year survival expeccho Mirage, California, to re-ceive treatment for his alcoholtancy for someone who has received a liver transplant is about 70 percent. But because of Mantle's age and alcohol problems, his chances probably would be about 60 percent, said

Goldstein. The surgeon said doctors will continue to monitor for any problems developing from the hepatitis.

A liver donor was found late Wednesday and, once tests showed the organ was compatible with Mantle, surgery began about 4 A.M., said Jennifer Jones, a spokeswoman at Baylor University Medical Center. Mantle was hospitalized on

May 28 complaining of stom-ach pains. Although doctors made his condition public Wednesday, they notified the Southwest Organ Bank Inc. on Tuesday that a new liver was

Alison Smith said it was not too unusual for an organ to be found within two days because Mantle's poor health placed him in the Status 2 category.

"His medical condition was worse than any other recipient we had listed from the local area," she said. "I'm sure there will be people who refuse to believe there wasn't some special consideration given because of who he is, but that will not be the case. We hope people realize we work as hard to recover organs for everyone on the waiting list."

Before the operation, Roy True, Mantie's attorney and close friend, spent time with

> For investment the MONEY REPORT

> > in the IHT

19 Alphabet trio

**ACROSS** 

1 Evening hours

19 They come in shells

15 Like nev

-,...

True said Mantle's wife, Merlyn, and sons Danny, David and Mickey Jr., had been with Mantie around the clock. Mantle has been "heavily se-

dated the last couple of days."
Danny Mantle said. "He's been in a lot of pain. He's been more of less sleeping a lot."

Mantle was the centerpiece of the New York Yankees dy-

nasty in the 1950s and '60s and one of baseball's premier sluggers. The Oklahoma boy who replaced Joe DiMaggio in cen-ter field retired in 1968 with 536 home runs, which ranks him eighth on the all-time list. Five vears later, he was inducted into the Hall of Fame.

Thursday was the 26th anniversary of the day his No. 7 jersey was retired at Yankee

Mantle's off-field drinking exploits, notably with pitcher Whitey Ford and infielder Billy Martin, were almost as her-alded as their on-field heroics. Mantle never kicked his drinking habit and last year he admitted it was a problem. In January 1994, he checked into

the Betty Ford Center in Ran-

His storied career also was sidetracked by many injuries. Doctors speculated that the hepatitis may have come from blood transfusions Mantle received during past surgeries for athletic-related injuries.

But pain and drunkenness were of little consequence to Mantie, who always said he expected to die young because no male member of his family had lived past 41.

His father died at 41 from Hodgkin's disease, a lymphatic cancer that killed his grandfather at age 40. One of his sons, Billy, also had a long struggle with the disease, then died of a

Lukas, was the 2-1 second choice.

long-term interests of club and player.

Lukas's Horses Favored at Belmont

ELMONT, New York (AP) — Preakness winner Timber Coun-

try, the first 2-year-old champion to win a Triple Crown race since

Easy Goer won the Belmont in 1989, was made the early 6-5

**United Surprises Ince With Transfer** 

MANCHESTER (AP) - Manchester United officials con-

bid - believed to be about \$13 million - was taken in the best

**CROSSWORD** 

SIDELINES





Kimiko Date (left) was done in by nerves and Sánchez Vicario; Graf (right) kept her cool against Conchita Martínez.

### A Paralysis Points Up Rugby Inequities

By Ian Thomsen tional Herald Tribuse

CAPE TOWN, South Africa - His teammates and coaches have returned home to Ivory Coast, but Max Brito remains behind in a Pretoria hospital bed, understanding that the Rugby World Cup will stay with him and never leave.

His paralyzing injury has demonstrated the severity of the challenge for small teams like that of Ivory Coast, which qualified for the 16-team finals with its African Zone upset one year ago against Namibia. The team was expected to lose all three matches here, and it did. Fulfilling the dream of competing on this stage was supposed to be the point.
Two minutes into the last game, Brito

heart attack last year at age 36. was tackled by one Tongan and another

two fell on him. When they got up he was still conscious, but he couldn't move. An operation this week stabilized the fourth and fifth vertebrae of his neck, allowing him to lift his head. He will probably be paralyzed below the neck for the rest of his life. He is 24. There can be no fulfillment after something like that.

"He is still weak but he was definitely better," said his brother, Fabrice, who also plays rugby. "We'll support him to the end. He's mentally very strong and I'm sure he will be able to do something despite his condition,"

Dan Hearn, paralyzed in 1967 while playing for England against New Zealand. has criticized the tournament for mismatching teams. The Rugby World Cup is just a nine-year-old convention, intent on growing internationally what has been a relatively

to invite 20 teams. In effect, that will mean four more teams no more able to compete

than the Ivory Coast of Max Brito. "The authorities should learn from this because top level rugby is no longer a game for the inexperienced," Hearn told the Guardian newspaper in England. "Asking the Ivory Coast, a country with no rugby pedigree, to play against what are effec-tively professionals does the game a disser-

A survey of the Scottish Rugby Union in 1993-94 revealed Thursday that rugby has sport. Of the 1,169 players studied during matches, practice games and training sessions, 361 were injured - almost half during tackles. It did not survey spinal

### A Fluke, and Lindros, Give Flyers a Victory, and New Life

favorite Thursday for Saturday's Belmont Stakes. Kentucky Derby winner Thunder Gulch, who is also trained by D. Wayne EAST RUTHERFORD. New Jersey — The Philadelphia The field, in post position order, with jockey and odds: Citadeed, Eddie Maple, 8-1; Off n'Away, Mike Smith, 12-1; Pana Brass, Wigaberto Ramos, 50-1; Is Sveikatas, Jorge Chavez, 50-1; Ave's Flag, John Velazquez, 30-1; Composer, Jerry Bailey, 20-1; Wild Syn, Randy Flyers finally broke through the Romero, 20-1; Colonial Secretary, Jose Santos, 50-1; Knockadoon, Chris McCarron, 15-1; Thunder Gulch, Gary Stevens, 2-1; Timber Country, Pat Day, 6-5, and Star Standard, Julie Krone, 6-1.

forechecking, or their extra hits. First it was a fluky bounce on a flip shot from the point late in the third period, then it was the

reliable Eric Lindros. He scored on a rare odd-man firmed Thursday they have agreed to sell England star Paul Ince break by the Flyers 4:19 into to Inter Milan. Manager Alex Ferguson said that accepting Inter's the first overtime as Philadelphia patiently fought its way back into the Eastern Conference final by beating the Devils.

But the midfielder's agent, Steve Kutner, said that "Paul was every bit as surprised as the fans when they heard that United had agreed on a fee with Inter Milan." 3-2, on Wednesday night. The victory, in what was almost a do-or-good-bye game for the Flyers, cut the Devils' lead in Arsenal, which fired George Graham in February over allegations of irregular transfer payments, named Bruce Rioch its manager. the best-of-7 series to 2-1. Game

4 will also be played in the at the right point when he sud-Meadowlands Arena on Satur-denly spotted Lindros skating day afternoon, with Game 5 alone down the middle of the ice. back in Philadelphia on Sunday. He sent a pass across and Lin-

masterly goaltending, but not for a fluky goal by Rod Brin-with their backpassing, or their d'Amour that tied the score with 6:03 left in regulation. At that point, the Flyers looked like a team ready to go

NHL PLAYOFFS

3-0 down in the series, and one

ready to be swept. That, however, changed when Brind'Amour flipped a shot at Brodeur. The puck landed five feet in front of the goalie, and bounced over his right

pad into the net. "We had two guys going to the net and I just tried to delay a little bit." said Brind'Amour. who had been held without a goal in the series. "I threw it at him hoping for a rebound, but it just bounced the right way. It

was the break we needed." Brodeur said he never saw it "It was a nightmare when it went into the net," he said.

Lindros made his night even worse, scoring on a great crossice pass from Mikael Renberg at the end of a 3-on-2 run by the Flyers' "Legion of Doom" line. Renberg was holding the puck

New Jersey Devils' center-ice
But Game 5 would not have dros snapped off a shot from the traps and Martin Brodeur's been possible had it not been top of the left circle that went just inside the goalpost.

> "I never saw Lindros coming in late," said Brodeur, who had a 1.29 goals against average in 12 playoff games. "I was playing the 2-on-2 at the blueline. Renberg made the long pass across and boom! Lindros was all alone." And just as quickly the Flyers were revived.

"That was a big goal for us," said Kevin Dineen, who scored the Flyers' first goal. Like I say, your big guy scores the big goals

and we got it from him tonight."
"We had to win this game,"
Renberg said. "If we didn't we almost would have been dead. Now we're still alive."

That's not what the Devils wanted after thoroughly dominating the opening two games in Philadelphia.

**Rugby World Cup in Brussels** PAPA JOE'S Sportsbar & Grill Archimède 55 - J040 Brus Tel: 32 2/732 77 77

### Sánchez Vicario, **Graf Gain Final**

No. 1 Ranking Also at Stake

By Christopher Clarey Special to the Herald Tribune

PARIS - Arantxa Sánchez Vicario versus Steffi Graf in the French Open final. The matchup appears every bit as logical and inevitable as

professors shuffling through the Louvre or tourists craning their necks at the Eiffel Tower. After all, Sánchez Vicario and Graf have played catch with the No. 1 ranking all year. Both have won the French at

least twice and both earn their daily bread and the bulk of their computer points from the baseline from which claycourt matches are won and lost. But for all their victories, the recent past has not gone

smoothly for the two most celebrated players now active in women's tennis. Their health has caused them problems, gnawing away at their confidence and effectiveness. And perhaps that is why

there was more than a whiff of relief in the humid air after Thursday's semifinals at Stade Roland Garros. Neither Graf nor Sánchez Vicario played well but both played well enough. First came Sanchez Vicario's 7-5, 6-3 defeat of Japan's precedent-setting Kimiko Date. Then came Graf's remarkably uneven 6-3, 6-7 (5-7), 6-3 vic-tory over Conchita Martinez.

"I was not 100 percent but I am still in the final, so I feel very happy," said Sánchez Vi-cario, the defending champion and No. 1 seed in Paris.

To hang on to the No. 1 rank-ing that she holds so dear, she will have to beat Graf in Saturday's final. If not, Graf will re-claim the spot she has held off and on since 1987.

Graf clearly cares more about victory than ranking. For the first time in nearly nine years, she does not hold one of the Grand Slam singles titles.

Mary Pierce blew her off the
court here in the semifinals last year. Then Lori McNeil upset her in the first round at Wim-bledon and Sanchez Vicario beat her in the U.S. Open final.

A lower back bone spur also helped beat her in that match, and led Graf to withdraw from four events. After deciding clay and, on Tuesday night, was against major surgery, she whipped herself into shape, only to miss the Australian Open with a strained right calf muscle.

But since her emotional return to the circuit in February, she has won 24 straight matches and had not lost a set until the fourth-seeded Martinez, herself the winner of 24 straight on clay this spring, rallied to make it

interesting Thursday. Martinez started poorly, making unforced errors off both wings and falling behind, 4-0. And though she rallied to win 12 of the next 14 points and make it 4-3, she faded again. Not only did she lose the first set, she

fell behind, 4-1, in the second. Luckily for Martinez, Graf was hardly on top of her game, either. She wound up making 67

unforced errors, many with her usually reliable slice backhand. Serving for the match at 5-4 in the second set, she played an edgy game, knocking a short forehand into the net to allow Martinez to even the score. Then, at 5-5 in the tiebreaker, she missed two more makable forehands to lose the set.

"I wasn't nervous, but it was so difficult to play," Graf said.
"With her, she plays it high and plays it low, mixes it up so easy mistakes. It was really difficult to find my rhythm."

She was out of rhythm again in the third set, falling behind by 0-40 on her serve at 3-3. But Martinez missed the next three service returns, hurling her racket after the third, and Graf held serve, then put an end to Martinez's invincibility on clay. "I lost my opportunity

there." Martinez admitted. Date, hardly known for her claycourt prowess, had opportunities of her own. The first Japanese player to reach the semifinals of the French Open, she has a game from a different era. With her straight backswings and flat strokes, she looks like she learned tennis by reading — if not necessarily memorizing — an instruction manual by Chris Evert.

But Date, at age 24, has developed into a dangerous customer on all surfaces and, for most of the first set, she took the ball on the rise and kept the speedy Sánchez Vicario off balance. Only a nervous service game at 5-6 cost her the first set.

And though she led, 2-0, in the second, she lost her serve and the edge in the sixth game. in which several long rallies left her gasping for air. She won only two more points after that.

It is perhaps testimony to the current state of women's tennis that even Sánchez Vicario, who has been fighting off a stomach virus and a fever with antibiotics the last week, has not dropped a set on her way to the final. Perhaps it is also testimo-

After being whipped by Pierce in the Australian Open final, she hurt her ankle in March and missed almost a month. She then won two tournaments on dancing, antibiotics and all, after midnight with her parents, Emilio and Marisa, at the ITF World Champions' dinner.

"I am not a machine," Sanchez Vicario said, with a grin. "I am a human being."

#### Other Open Results

Men's Doubles Quarterlinals Jacco Eltingh and Paul Haarhuls (2), Neth ands, def. Yevgeny Kofeinikov and Andrei avskly (7), Russia, 6-7 (3-7), 6-3, 12-18.

Omovskry (7), russid, 6-/ (5-/), 6-5 (5-1).

Men's Doublet, Semifinals

Jacco Eitingh and Poul Hoarhuls (2), Netherlands, def. Tommy Ho. U.S., and Birell Steven (12), New Zealand, 6-3, 6-0: Nicklas Kuttl and Magnus Larsson, Sweden, def. Jakob Hlosek, Switzer land, and David Wheaton, U.S., 3-4, 4-4, 4-4.

Mixed Doubles, Semifinals Lariso Nelland, Latvia, and Mark Wook Loriso Nelland, Latvia, and Marx Wooderce (1), Australia, def. (84) Fernandez, U.S., and Cyril Suk (3), Czech Republic, 6-4, 4-6, 12-10: Jill Heither Inghan, Conada, and John-Latinie De Joger, South Africa, def. Rachel McQuillan and David MacPherson, Australia, 6-4, 6-1.

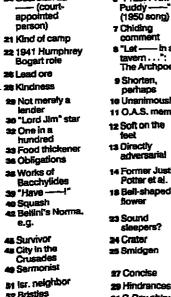
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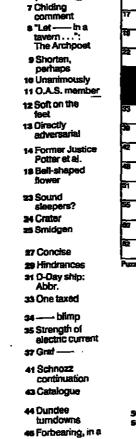
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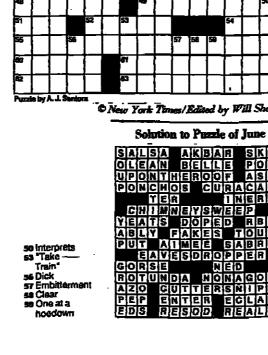
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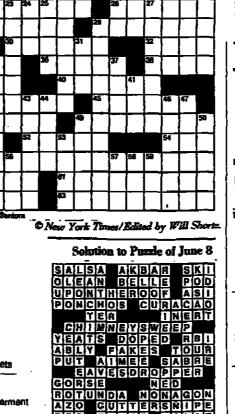
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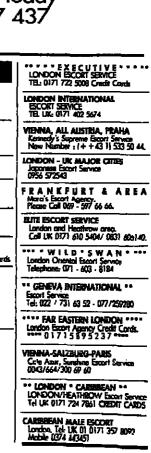
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#### **OBSERVER**

### **Too Many Candidates**

By Russell Baker

NEW YORK — So many persons are now running for president that it makes your head spin. Republicans have candidates you've never heard of. Democrats so far have only times when Americans have no President Clinton. Amazingly, need for cheap foreign labor to he is trying hard to keep other take jobs too awful to interest our Democrats from running.

There are other amazing things about Clinton. For instance, he started running for a second term even before he was see Congress in permanent reinaugurated for the first.

ideas about what he wanted to do tions. with his first term. Was he keeping them a secret so he could surprise us in his second term?

As everybody knows, he started running for president when he was a high schooler. You'd think by the time he finished college a man who started running in high school would have exciting ideas of what to do in his first term.

than we do. I don't say this is how the Clinton mind works, you are at war, my fellow and I don't say there is anything ill advised about keeping your vision thing a secret until the second term. It would take un-mitigated gall to criticize the tion. I hear it. And I don't want tactics of a man whose tactics have already won him one term.

and my gall is mitigated.
The Republican candidates, or at least those I can keep in mind, have unmitigated gall gasoaking the poor so the rich, by lore and incredibly clear vision things. I keep them sorted out by imagining the kind of country each would bring us.
Under President Newt Gin-

grich, for instance, I see a lot of balloons. I mean big brightly colored balloons that use hot gas to raise baskets of people into

the sky so high. Gingrich, you see, is a romantic and a dreamer and a devotee of science.

President Pete Wilson's America would be different, No balloons in Wilsonian America. They would make it too easy for foreigners to cross our borders at own citizens.

Wilson is a Californian. So I cess, since all government would The amazing thing here is, he didn't seem to have any fixed erendum and initiative elec-

> President Pat Buchanan governs a Fortress America. Minding our own business. That world out there with its troublesome, obnoxious, out-ofcontrol billions of people that's not our problem, my fellow Americans. Inside Fortress America,

see everybody going to church.
A Christian church. Getting the feel of the Ten Command-Well, you'd think that and I'd think that, but maybe shrewd politicians think more subtly those alien cultures with which we are at war, because when etceteras, you have to etcetera. Who else? Yes, Senator Gramm, I don't exactly see a to hear it. It is an America in which millions of people shout.
"Turn off that TV!" the instant President Gramm starts to an-

> find honest work one of these days.
> "What about Bob Dole?" you ask. I see a Bob Dole administration which has Amer-"Well, who else icans saying.

nounce a 14-point program for

getting richer, can help the poor

The New York Times.

### Tossing Off Virtuoso Licks With Arturo Sandoval

By Mike Zwerin tional Herald Tribune

PARIS — Arturo Sandoval plays virtuoso trumpet from screech to pedal notes with the confidence of a ranked tennis player at the top of his game aiming for the lines. Tossing off a fast lick from Dizzy Gillespie's "Be Bop," he lays the horn gently to rest on the bed and says he always practices in hotel rooms "until they start banging on the walls."

Cubans tend to play the trumpet like bullfighters. He overflows more than fills the room. His excellent English is melodiously Spanish-accented. "Nothing," he sighs, "nothing is

Cuban music is rich and varied. Salsa is only a condiment, not a music.'

easy on the trumpet. The trumpet is a pain in the butt. If you don't practice every single day, you play bad."

Sandoval was born in 1949 in Artemisa, a suburb of Havana, studied classical trumpet and was a founding member of the esteemed group Irakere, which combined Cuban traditional music, rock and jazz. He has played Telemann, Vivaldi, Hummel and Leopold Mozart with the BBC Symphony and others and has given trumpet master classes in conservatories in London, Paris and the Soviet Union. His album "Danwon a Grammy in the Latin Jazz category in 1994 and he was featured (with Tony Bennett) during this year's Superbowl halftime show.

Irakere was known for checking into ratty hotels, usually near railroad stations, and traveling long distances second class. Despite their reputation and exciting, groundbreaking style, they never saw their contracts: "We never knew what we were getting paid. We just went wherever they sent us, there were always bodyguards, and they would give us, like, \$15 a day pocket money." Sandoval managed to perform in the United States several times, despite the embargo. After the critic Leonard Feather wrote a formal request to the State Department, he was granted a 48-hour visa to play the Hollywood Bowl with Woody Herman's band on the occasion of its

50th anniversary Playing the Jazz Jamboree in Warsaw in

Asia

Conover's programs. He was caught listening to one in the barracks during his military ser-vice. The sergeant called it "the voice of the enemy" and sent him to the stockade for three months. "Which," he says, "is one reason I live in Miami now.

Life in Cuba did not please him, but it was home. Describing his love for his island, he cites a Cuban high-jump champion, Cuban ballet dancers, the female volleyball team and the chess master Capablanca: "It's a crazy wonderful country. It's my own land." Arturo Sandoval became another name Cubans are proud of.

Although "the government owned my brain and my soul, they controlled me like a marionette," he did not want to leave without his wife and son. Friends had defected, saying they would bring their families later. And they ended up losing whatever they had together. Not wanting to take that risk, he bided his time.

In early 1990, when Gillespie, who had be-

come his mentor, hired him for a two-and-a-halfmonth European tour, he saw his chance. Since he had already booked a three-month tour with his own band, he would be in Europe almost six months. He asked the Ministry of Culture to allow his wife and son to visit him during the tour. "I am 40 years old," he said. "That is too

iong to be separated from my family.

"Imagine." He stops to reflect. "You have to ask their permission to travel with your own family. My wife and I discussed it walking on the beach, we did not trust the security of our own home. Nobody knew about the plan but she and I, nobody." The ministry agreed, he does not know

The Gillespie band was in Athens when Sandoval's wife and son arrived in London. Gillespie, whose tours for the State Department had made him a sort of cultural ambassador at large, went with him to the American embassy, where he asked for political asylum. He was told to continue the tour and they would process

the papers and give him further instructions. Less than a week later, however, in a small town in northern Italy, Sandoval received a phone call from his wife. She and their son were in a friend's house in the country outside London, lying low. She told him she'd heard that the Cuban government knew he had asked for asylum and wanted all three of them on the next plane to Havana. She said she had been threatened. She was afraid.

Sandoval went to Gillespie's hotel room and Playing the Jazz Jamboree in Warsaw in 1979, he was happy to meet the Voice of America disk jockey Willis Conover. Like many young jazzmen in Communist countries, Sandoval had learned the repertoire listening to Sandoval went to Gillespie s note: room and went to Gillespie s note: room and when to Gillespie s note: room and that this is the "short version" of the story. He was escorted on to a plane by embassy people was escorted o



"Nothing is easy on the trumpet. If you don't practice every day, you play bad."

what he was tooking for — the number of a White House hotline. He had recently traveled on Air Force One to play at an independence ceremony in Namibia. He dialed the emergency number he had been given number he had been given.

Sandoval interupts the tale to shake his head:
'Dizzy, may the good Lord bless him.'
The White House heard the story and said,

"Don't move, we'll get back to you." The phone rang just before 2, the American ambassador in Rome. He promised to arrange to send a car to take Sandoval's family to the U.S. Embassy in London. He stops again to point out that this is the "short version" of the story. He was escorted on to a plane by embassy people. How would you feel if we called all American the alienation of Caplan and Capland to How could be called all American to a plane by embassy people.

disorganized bundle of papers and finally found with no money or work to Miami and have lived

Before concluding, he asks, just about begs, to be quoted on-the-record dissing the concept and name of salsa music. His new album, "The Latin Train" (GRP), explores a number of Cuban styles like mambo, danzon, son montuno, guajira, guaracha, songo and chachacha. "Cuban music is rich and varied," he says. "Salsa is only a condiment, a spice, not a music. The name is an advertising gimmick to make money from the alienation of Cuban musicians.

#### WEATHER

### Forecast for Saturday through Monday, as provided by Accu-Weather. Europe North America High humiday will give rise to a few weekend thunderatorms in New York and Washington, D.C., while Toronto and Chicago have numerous showers and derstorms will break out

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#### THE wedding between Ivana Trump and the Italian businessman Riccardo Mazzucchelli is off. He has reportedly refused to sign a prenuptial agreement that would protect Trump's fortune, estimated at more than \$12 million. "It is all off there are all sorts of problems," said Trump's spokewoman, Liz Brewer. The

were to marry in London on June 17. Ringo Starr is rehearsing with a new band in Vancouver, British Columbia, and will go on tour, starting in Japan next week and continuing in the United States. The band includes Starr, Felix Cavaliere of The

two, who have been dating for four years,

Rascals, John Entwistle of The Who, Billy Preston, Mark Farner of Grand Funk man Turner Overdrive. Starr's son, Zak Starkey, and saxophonist Mark Rivera round out the group. The band will play hits made popular by the various members.

chair, eating solid food and showing some

### **PEOPLE**



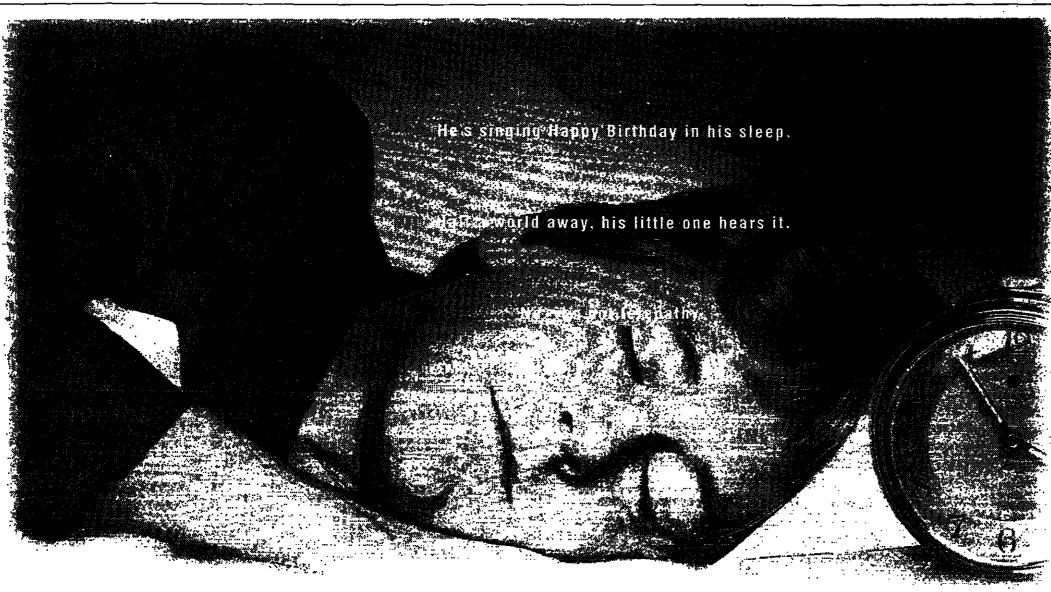
Ringo Starr: New band, new tour.

paralyzing neck injury in a riding accident 12 days earlier. "There is new movement Christopher Reeve was sitting in a in Mr. Reeve's right shoulder muscle, said Dr. John A. Jane, neurosurgeon at the University of Virginia Medical Center in

Charlottesville. Reeve sat in a chair and was fed manually, rather than through a feeding tube. He remains unable to breathe without a respirator.

An 11-year-old California boy wen \$16,000 and got his 15 minutes of fame, defeating 10,000 other entrants in a ninemonth contest to; find the next Andy Warhol. Matthew Balestrieri won the "Art of Somp" contest sponsored by Campbell Soup Co., whose trademark redand-white soup can was turned by Warhol into a landmark work of Pop Art 33 years ago. The winner — chosen by, among others, Warhol's brother Paul Warhola and the artist Peter Max — was an Egyptian-style painting from the tomb of "Isip

Campbell Soup to a pharaoh. Paula Dixon, the British woman who leaped into the headlines last month when she underwent lifesaving surgery aboard a Hong Kong-to-London flight, is back in the territory to plan her wedding to her boyfriend, Thomas Galster.



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